

KEY TO
ADVANCED ACCOUNTS

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PREFACE

THIS Key has been prepared for the purpose of giving assistance to teachers and students in the correction of work. All practical exercises have been *adequately* worked.

Economy has been effected by the omission of folios and mirror Ledger accounts. Narrations for Journal entries have been made only where such have been asked of the examinee.

In a few cases, questions have been passed over by a reference to the textbook, as it has been thought unnecessary to duplicate information contained in *Advanced Accounts*.

Every care has been taken to ensure that adequate and accurate working which may reasonably be expected in a book of this kind, if it is to save the teacher and the student disappointment.

The present (fifth) edition is based on the completely revised and re-set edition of *Advanced Accounts*, first issued in 1942.

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Participate

KEY TO ADVANCED ACCOUNTS

EXERCISE I—No. 1.

JOURNAL ENTRIES

| | | £ | s. | d. | £ | s. | d. |
|-------------|---|-----|----|----|-----|----|----|
| 19.. | | | | | | | |
| (a) Jan. 15 | Office Furniture and Fittings, etc.—NEW To Office Furniture and Fittings, etc.—OLD Exchange of 3 carpets, valued £4 each, for 2 office desks worth £12. | 12 | — | — | 12 | — | — |
| 19.. | | | | | | | |
| (b) Jan. 17 | Office Furniture and Fittings, etc.—NEW To Office Furniture and Fittings, etc.—OLD Exchange of office safe, valued £20, for typewriter worth £25. | 25 | — | — | 25 | — | — |
| " 17 | Office Furniture and Fittings, etc.—OLD To Gain on Sale/or Exchange of Furniture, etc. For adjustment of value for which old furniture was exchanged. | 5 | — | — | 5 | — | — |
| | | £42 | — | — | £42 | — | — |

EXERCISE I—No. 2.

PURCHASES BOOK

| | | £ | s. | d. | £ | s. | d. |
|--------|---|---------|---------|--------|------|----|----|
| 19.. | | | | | | | |
| Jan. 1 | A. Brown— 20 Bags of Coffee Less 10% trade discount | 81 8 | — 2 | — — | 72 | 18 | — |
| " 5 | R. Smith & Co.— 12 cases of Sugar Less 12½% trade discount | 48 6 | 16 2 | — — | 42 | 14 | — |
| " 9 | T. Titus— 6 chests of Tea Less 20% trade discount | 45 9 | 15 3 | 5 1 | 36 | 12 | 4 |
| " 15 | O. Omicron & Son— 20 bags of Coffee Less 7½% trade discount | 80 6 | 16 1 | 8 3 | 74 | 15 | 5 |
| " 23 | P. Peters, Ltd.— 20 cases of Sugar Less 5% trade discount | 61 3 | — 1 | — — | 57 | 19 | — |
| " 27 | L. Lucas— 12 bags of Cocoa Less 25% trade discount | 38 9 | 6 11 | 0 6 | 28 | 14 | 6 |
| | | | | | £313 | 13 | 3 |

EXERCISE I—No. 3.

JOURNAL ENTRIES

(P. SMITH'S BOOKS)

(1)

| | | £ | s. | d. | £ | s. | d. |
|--------|--|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Feb. 1 | J. Swift | 580 | — | — | 580 | — | — |
| | To Sales | | | | | | |
| " " | Bills Receivable | 450 | — | — | 450 | — | — |
| | To J. Swift | | | | | | |
| | For bills of exchange of £250 and £200 for periods of two and four months respectively | | | | | | |
| " " | J. Swift | 8 | 16 | 8 | | | |
| | To Commission | | | | 4 | 10 | — |
| | 1% of £450. | | | | 1 | 13 | 4 |
| | To Discount | | | | | | |
| | 4% of £250 for two months. | | | | 2 | 13 | 4 |
| | To Discount | | | | | | |
| | 4% of £200 for four months. | | | | | | |
| " " | Cash | 138 | 16 | 8 | | | |
| | To J. Swift | | | | 138 | 16 | 8 |
| | £130 as agreed and £8 16s. 8d. (the amount of the commis- sion and discounts). | | | | | | |
| | | £1,177 | 13 | 4 | £1,177 | 13 | 4 |

LEDGER

JOHN SWIFT

| Dr. | | (1) | | | JOHN SWIFT | | | (1) | | | Cr. | |
|--------|----------------------|-----|------|----|------------|--------|---------------------|-----|------|----|-----|--|
| 19.. | | | £ | s. | d. | 19.. | | | £ | s. | d. | |
| Feb. 1 | To Sales | | 580 | — | — | Feb. 1 | By Bills Receivable | | 450 | — | — | |
| " " | " Commission | | 4 | 10 | — | " " | " Cash | | 138 | 16 | 8 | |
| " " | " Discount | | 4 | 6 | 8 | | | | | | | |
| | | | £588 | 16 | 8 | | | | £588 | 16 | 8 | |

EXERCISE I—No. 4.

RECONCILIATION STATEMENT

| | £ | s. | d. | £ | s. | d. |
|--|-----|----|----|------|----|----|
| Bank Balance as per Pass Book | | | | 205 | 15 | 5 |
| <i>Add</i> cheques paid in not cleared— | | | | | | |
| Plumer | 98 | — | 2 | | | |
| Methuen | 208 | 16 | 4 | | | |
| Cronje | 84 | 14 | 9 | | | |
| | | | | 391 | 11 | 3 |
| <i>Deduct</i> cheques paid away not yet presented— | | | | 597 | 6 | 8 |
| Chernside | 41 | — | 10 | | | |
| Hunter | 101 | 4 | 8 | | | |
| | | | | 142 | 5 | 6 |
| Bank Balance as per Cash Book, 31st Dec. | | | | £455 | 1 | 2 |

EXERCISE I—No. 5.

BANK RECONCILIATION STATEMENT

| | £ | s. | d. |
|---|-------|----|----|
| Balance shown in Bank Sheet | 1,123 | 4 | 7 |
| <i>Add</i> cheques paid in not credited | 72 | — | 8 |
| | 1,195 | 5 | 3 |
| <i>Less</i> cheques unrepresented | 240 | 6 | 2 |
| Balance as Cash Book (a) | 954 | 19 | 1 |
| <i>Add</i> Amounts not posted to Cash Book | 20 | 14 | 4 |
| Balance as Cash Book (b) | 975 | 13 | 5 |
| <i>Less</i> amounts not posted to Cash Book | 2 | 6 | 8 |
| | £973 | 6 | 9 |

(a) After adjustment of omitted items.

(b) The Cash Book balance should have been £973 6s. 9d., and not £968 3s. 2d., as stated in the question.

There is thus a difference of £5 3s. 7d. which should be located by a check of the entries in the bank columns of the Cash Book with the entries on the Bank Sheets.

NOTE. The question does not seem to be perfectly clear as regards the item of Bank Interest. If it is intended to be a charge and not an allowance, the difference will be £9 16s. 11d.

EXERCISE I—No. 6.

Dr.

PETTY CASH BOOK OF W. MEARS

Cr.

| Cash Received | | | Date | Particulars | Cash Paid | | | Trade Expenses | | | Office Expenses | | | Postages | | | Travelling Expenses | | |
|---------------|----|----|---------|------------------------|-----------|----|----|----------------|----|----|-----------------|----|----|----------|----|----|---------------------|----|----|
| £ | s. | d. | | | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| 100 | - | - | Jan. 2 | To Bank | 84 | 8 | 10 | 50 | 2 | 1 | 13 | 6 | 9 | 9 | - | - | | | |
| | | | " 2/7 | By Sundry Payments (a) | | | | | | | | | | | | | | | |
| 84 | 8 | 10 | " 7 | To Bank | 100 | - | - | | | | | | | | | | | | |
| | | | " 7 | By Balance c/d | | | | | | | | | | | | | | | |
| £184 | 8 | 10 | | | 184 | 8 | 10 | | | | | | | | | | | | |
| 100 | - | - | " 9 | To Balance b/d | 76 | 9 | 8 | 38 | 6 | 1 | 18 | 4 | 8 | 10 | 4 | 6 | 9 | 14 | 5 |
| | | | " 9/14 | By Sundry Payments | | | | | | | | | | | | | | | |
| 76 | 9 | 8 | " 14 | To Bank | 100 | - | - | | | | | | | | | | | | |
| | | | " 14 | By Balance c/d | | | | | | | | | | | | | | | |
| £176 | 9 | 8 | | | 176 | 9 | 8 | | | | | | | | | | | | |
| 100 | - | - | " 16 | To Balance b/d | 89 | 3 | 11 | 54 | 4 | 7 | 15 | 2 | 11 | 11 | 2 | 3 | 8 | 17 | 2 |
| | | | " 16/21 | By Sundry Payments | | | | | | | | | | | | | | | |
| 9 | 6 | 11 | " 21 | To Bank | 100 | - | - | | | | | | | | | | | | |
| | | | " 21 | By Balance c/d | | | | | | | | | | | | | | | |
| £189 | 6 | 11 | | | 189 | 6 | 11 | | | | | | | | | | | | |
| 100 | - | - | " 23 | To Balance b/d | 90 | 4 | 2 | 52 | 1 | 9 | 14 | 7 | 8 | 12 | 10 | - | | | |
| | | | " 23/28 | By Sundry Payments | | | | | | | | | | | | | | | |
| 90 | 4 | 2 | " 28 | To Bank | 100 | - | - | | | | | | | | | | | | |
| | | | " 28 | By Balance b/d | | | | | | | | | | | | | | | |
| £190 | 4 | 2 | | | 190 | 4 | 2 | | | | | | | | | | | | |
| 100 | - | - | " 30 | To Balance b/d | | | | | | | | | | | | | | | |

a) In practice, each item would be enumerated as under—
By Trade Expenses
 " Office
 " Postages
 " Travelling

a1 In practice, each item would be enumerated as under—
 By Trade Expenses
 " Office
 " Postages
 " Travelling

EXERCISE I—No. 7.

See *Advanced Accounts*, page 6 (under "Present-day Use of Journal").
Books in daily use in the Counting-house of a City Warehouseman are as enumerated below—

(1) Ledger; (2) Cash Book; (3) Purchases Book; (4) Sales Book; (5) Returns Books [(a) In, (b) Out]; (6) Bills Books. [(a) Receivable, (b) Payable.]

EXERCISE I—No. 8.

SALES BOOK

| | | £ | s. | d. |
|--------|--|----|----|----|
| 19.. | | | | |
| July 1 | A. Bunn— 1 bale Stuff Goods. (20 pieces, each 25 yds. @ 9d. a yard). | 18 | 15 | — |

Terms : 1 month 6% prompt Cash.

CASH BOOK

(DEBIT SIDE)

| | | Discount. | | | Cash. | | |
|--------|----------------------|-----------|----|----|-------|----|----|
| | | £ | s. | d. | £ | s. | d. |
| 19.. | | | | | | | |
| Aug. 1 | To A. Bunn | 1 | 2 | 6 | 17 | 12 | 6 |

EXERCISE I—No. 9.

See *Advanced Accounts*, Chapter IX.

EXERCISE I—No. 10.

JOURNAL OF JOHN FARMER, WOOD MERCHANT

| | | £ | s. | d. | £ | s. | d. |
|-----|---|---------|--------|--------|-----|----|----|
| (a) | Commission Account <i>Dr.</i> To Mr. Low 2½% of £9,342 6s. 6d. | 233 | 11 | 2 | 233 | 11 | 2 |
| (b) | Solicitor's Charges. <i>Dr.</i> Cash To H. Smith Settlement of H. Smith Account . | 9 78 | 4 6 | 6 2 | 87 | 10 | 8 |
| (c) | Sundry Assets Account <i>Dr.</i> To D. Harris Second-hand car purchased from D. Harris (debtor). | 40 | — | — | 40 | — | — |

EXERCISE I—No. 11.

A reference to *Advanced Accounts*, pages 3 to 5, will give the necessary information on the question.

EXERCISE I—No. 12.

The books generally used in a Merchant's Office are as follows—

- | | |
|----------------------------|--------------------------------|
| (1) Journal. | (6) Bank Cash Book. |
| (2) Purchases Book. | (7) Petty Cash Book (Imprest). |
| (3) Sales Book. | (8) Bills Receivable Book. |
| (4) Returns Inwards Book. | (9) Bills Payable Book. |
| (5) Returns Outwards Book. | (10) Ledger. |

The Cash Book ruling recommended is as example in Chapter IX of *Advanced Accounts*.

EXERCISE I—No. 13.

JOURNAL ENTRIES

| | | £ | s. | d. | £ | s. | d. |
|--------|---|------|----|----|------|----|----|
| 19.. | | | | | | | |
| July 5 | J. Smith | 147 | 10 | — | 147 | 10 | — |
| | To Bills Payable | | | | | | |
| | For acceptance at 3 mos. dated 1st July | | | | | | |
| " 5 | Bills Receivable. | 126 | 4 | — | 126 | 4 | — |
| | To Wm. Dart | | | | | | |
| | For acceptance at 2 mos. dated 2nd July | | | | | | |
| | | £273 | 14 | — | £273 | 14 | — |

PURCHASES BOOK

| | | £ | s. | d. |
|--------|--------------------------------------|-----|----|----|
| 19.. | | | | |
| July 7 | Wallace & Co.— | | | |
| | 20 bales Fancy @ £25 a bale. | 500 | — | — |

SALES BOOK

| | | £ | s. | d. |
|--------|---|------|----|----|
| 19.. | | | | |
| July 2 | P. Jones— | | | |
| | 12 pieces Tapestry (240 yds. @ 1/9) | 21 | — | — |
| " 10 | F. Humble— | | | |
| | 20 pieces Fancy @ £35 a piece | 700 | — | — |
| | | £721 | — | — |

CASH BOOK

Cr.

| | | Discount. | | Bank. | | Discount. | | Bank. | |
|-----|------------------|-----------|-------|-------|-------|--------------------------------|--|-------|-------|
| | | £ | s. d. | £ | s. d. | | | £ | s. d. |
| 19. | To Sales | . | . | . | . | By W. Smith (Cheque No. 40) | | £ | s. d. |
| 2 | „ Sales | . | . | . | . | „ Wallace & Co. (Cheq. No. 41) | | 54 | — |
| 3 | „ „ | . | . | . | . | „ Salaries (Cheque No. 42) | | 485 | — |
| 4 | „ J. Brown | . | . | 4 | 10 | 19.. 2 | | 15 | — |
| 4 | „ Sales | . | . | . | . | July | | | |
| 5 | „ „ | . | . | . | . | „ | | | |
| 5 | „ Sales | . | . | . | . | „ | | | |
| 7 | „ „ | . | . | . | . | 10 | | | |
| 7 | „ Sales | . | . | . | . | | | | |
| 9 | „ P. Jones | . | . | . | . | | | | |
| 9 | „ Sales | . | . | . | . | | | | |
| 9 | „ „ | . | . | . | . | | | | |
| 10 | „ Sales | . | . | . | . | | | | |
| 31 | „ Bank Overdraft | . | . | . | . | | | | |
| | | | | | | | | £ | s. d. |
| | | | | | | | | 17 | 14 |
| | | | | | | | | 551 | 10 |
| | | | | | | | | 6 | |

EXERCISE I—No. 13 (*contd.*).

TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|----------------------------|---------------|-----------|----------|---------------|-----------|----------|
| Purchases | 500 | — | — | | | |
| J. Smith | 147 | 10 | — | | | |
| Bills Receivable | 126 | 4 | — | | | |
| W. Smith | 56 | 14 | — | | | |
| F. Humble | 700 | — | — | | | |
| Salaries | 12 | 10 | 6 | | | |
| Bills Payable | | | | 147 | 10 | — |
| J. Brown | | | | 89 | 10 | — |
| Sales | | | | 1,007 | 1 | — |
| Discount | | | | 12 | 13 | 6 |
| Wm. Dart | | | | 126 | 4 | — |
| Bank Overdraft | | | | 160 | — | — |
| | <u>£1,542</u> | <u>18</u> | <u>6</u> | <u>£1,542</u> | <u>18</u> | <u>6</u> |

EXERCISE I—No. 14.

JOURNAL ENTRIES

| 19.. | | £ | s. | d. | £ | s. | d. |
|-----------|---------------------------------------|----------------|----------|----------|----------------|----------|----------|
| Jan.-Dec. | Purchases Account | 12,310 | — | — | | | |
| | To Sundry Creditors | | | | 12,310 | — | — |
| | Sundry Debtors | 15,627 | — | — | | | |
| | To Sales Account | | | | 15,627 | — | — |
| | Returns Inwards Account | 248 | — | — | | | |
| | To Sundry Debtors | | | | 248 | — | — |
| | Sundry Creditors | 340 | — | — | | | |
| | To Returns Outwards Account | | | | 340 | — | — |
| | | <u>£28,525</u> | <u>—</u> | <u>—</u> | <u>£28,525</u> | <u>—</u> | <u>—</u> |

EXERCISE I—No. 14 (contd.).

| CASH BOOK | | | | | | | | | | Cr. |
|-----------|-------------------|---|---|---|-------------------|---------------------|---|---|----|----------|
| Dr. | 19., Jan.-Dec. | | | | 19., Jan.-Dec. | | | | s. | d. |
| | To Balance | . | . | . | | By Sundry Creditors | . | . | . | £ |
| | " Sundry Debtors | . | . | . | | " Jas. Thompson | . | . | . | 10,600 |
| | " Deposit Account | . | . | . | | " A. Clark | . | . | . | 2,500 |
| | " Interest | . | . | . | | " Interest | . | . | . | 500 |
| | | . | . | . | | " Wages | . | . | . | 225 |
| | | . | . | . | | " Salaries | . | . | . | 750 |
| | | . | . | . | | " Freight | . | . | . | 430 |
| | | . | . | . | | " Repairs | . | . | . | 285 |
| | | . | . | . | | " Repairs | . | . | . | 90 |
| | | . | . | . | | " Balance c/d | . | . | . | 695 |
| | | . | . | . | | | . | . | . | |
| | | . | . | . | | | . | . | . | £ 16,075 |
| | | . | . | . | | | . | . | . | |
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| | | . | . | . | | | . | . | . | |
| | | . | . | . | | | . | . | . | |
| | | . | . | . | | | . | . | . | |
| | | . | . | . | | | . | . | . | |
| | | . | . | . | | | . | . | . | |
| | | . | . | . | | | . | . | . | |
| | | . | . | . | | | . | . | . | |
| | | . | . | . | | | . | . | . | |
| | | | | | | | | | | |

EXERCISE I—No. 14 (contd.).

OPENING ENTRIES

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|-----------------------------|----------|----|----|--------|----|----|
| Jan. 1 | Bank | 225 | — | — | | | |
| | Stock | 6,000 | — | — | | | |
| | Warehouse | 1,500 | — | — | | | |
| | Deposit Account | 2,500 | — | — | | | |
| | To Jas. Thompson | | | | 4,000 | — | — |
| | „ Capital Account | | | | 6,225 | — | — |
| | | £ 10,225 | — | — | 10,225 | — | — |

TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|----------------------------|----------|----|----|--------|----|----|
| Purchases | 12,310 | — | — | | | |
| Debtors | 899 | — | — | | | |
| Returns Inwards | 248 | — | — | | | |
| Discount | 230 | — | — | | | |
| Interest | 125 | — | — | | | |
| Deposit Account | 1,000 | — | — | | | |
| Stock | 6,000 | — | — | | | |
| Bank | 695 | — | — | | | |
| Warehouse | 1,500 | — | — | | | |
| Trade Expenses | 1,555 | — | — | | | |
| A. Clark | 500 | — | — | | | |
| Sales | | | | 15,627 | — | — |
| Creditors | | | | 1,370 | — | — |
| Returns Outwards | | | | 340 | — | — |
| Jas. Thompson | | | | 1,500 | — | — |
| Capital | | | | 6,225 | — | — |
| | £ 25,062 | — | — | 25,062 | — | — |

EXERCISE I—No. 15.

(Dr. SIDE)

BANK ACCOUNT OF F. GRAY

| | | May | | | | | | | | | | | |
|--------------------------|--|---------------|-----------|----------|--------------|-----------|----------|--------------|----------|----------|--------------|-----------|----------|
| | | 7th | | | 14th | | | 21st | | | 28th | | |
| | | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| Balance | | 1,150 | — | — | 1,352 | 5 | 4 | 1,453 | 2 | 4 | 1,043 | 12 | — |
| Sundry Debtors | | 513 | 11 | 4 | 311 | 6 | — | 322 | 1 | 8 | 453 | 1 | — |
| | | <u>£1,663</u> | <u>11</u> | <u>4</u> | <u>1,663</u> | <u>11</u> | <u>4</u> | <u>1,775</u> | <u>4</u> | <u>—</u> | <u>1,496</u> | <u>13</u> | <u>—</u> |

(Cr. SIDE)

| | May | | | | | | | | | | | |
|---------------------------|---------------|-----------|----------|--------------|-----------|----------|--------------|----------|----------|--------------|-----------|----------|
| | 7th | | | 14th | | | 21st | | | 28th | | |
| | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| Sundry Creditors . | 211 | 6 | — | 110 | 9 | — | 631 | 12 | — | 146 | 13 | — |
| Transfers to Petty Cash . | 100 | — | — | 100 | — | — | 100 | — | — | 100 | — | — |
| Balance . | 1,352 | 5 | 4 | 1,453 | 2 | 4 | 1,043 | 12 | — | 1,250 | — | — |
| | <u>£1,663</u> | <u>11</u> | <u>4</u> | <u>1,663</u> | <u>11</u> | <u>4</u> | <u>1,775</u> | <u>4</u> | <u>—</u> | <u>1,496</u> | <u>13</u> | <u>—</u> |

TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|--------------------------------|---------------|-----------|----------|--------------|-----------|----------|
| Bank | 1,250 | — | — | | | |
| Petty Cash | 45 | — | — | | | |
| Cash Purchases | 55 | — | — | | | |
| General Expenses | 44 | 19 | 3 | | | |
| Salaries | 160 | — | — | | | |
| Personal Drawings | 80 | — | — | | | |
| Travellers' Expenses | 60 | — | — | | | |
| Capital Account | | | | 1,650 | — | — |
| Sundry Creditors | | | | 44 | 19 | 3 |
| | <u>£1,694</u> | <u>19</u> | <u>3</u> | <u>1,694</u> | <u>19</u> | <u>3</u> |

EXERCISE I—No. 15 (contd.).

Dr.

PETTY CASH BOOK (IMPREST)

Cr.

| Cash Received | | Date | Particulars | Cash Paid | | Cash Purchases | | Salaries | | Drawings | | Travelling Expenses | |
|---------------|----|-------|------------------|-----------|----|----------------|----|----------|----|----------|----|---------------------|----|
| £ | d. | | | £ | s. | d. | s. | £ | s. | £ | s. | £ | d. |
| 100 | — | May 7 | To Bank | 9 | 11 | 4 | — | 40 | — | 20 | — | 15 | — |
| | — | | By Purchases | 75 | — | — | — | — | — | — | — | — | — |
| | — | | „ Salaries, etc. | 84 | 11 | 4 | — | £40 | — | £20 | — | £15 | — |
| | — | | By Balance c/d | 15 | 8 | 8 | — | — | — | — | — | — | — |
| 100 | — | | | £100 | — | — | — | — | — | — | — | — | — |
| 15 | 8 | 7 | To Balance b/d | 13 | 3 | 9 | — | 40 | — | 20 | — | 15 | — |
| 100 | — | „ 14 | By Bank | 75 | — | — | — | £40 | — | £20 | — | £15 | — |
| | — | | By Purchases | 88 | 3 | 9 | — | — | — | — | — | — | — |
| | — | | „ Salaries, etc. | 27 | 4 | 11 | — | — | — | — | — | — | — |
| | — | | By Balance c/d | £115 | 8 | 8 | — | — | — | — | — | — | — |
| 115 | 8 | | | — | — | — | — | — | — | — | — | — | — |
| 27 | 4 | 14 | To Balance b/d | 15 | 11 | — | — | 40 | — | 20 | — | 15 | — |
| 100 | — | „ 21 | By Bank | 75 | — | — | — | £40 | — | £20 | — | £15 | — |
| | — | | By Purchases | 90 | 11 | — | — | — | — | — | — | — | — |
| | — | | „ Salaries, etc. | 36 | 13 | 11 | — | — | — | — | — | — | — |
| | — | | By Balance c/d | £127 | 4 | 11 | — | — | — | — | — | — | — |
| 127 | 4 | | | — | — | — | — | — | — | — | — | — | — |
| 36 | 13 | 21 | To Balance b/d | 16 | 13 | 11 | — | 40 | — | 20 | — | 15 | — |
| 100 | — | „ 28 | By Bank | 75 | — | — | — | £40 | — | £20 | — | £15 | — |
| | — | | By Purchases | 91 | 13 | 11 | — | — | — | — | — | — | — |
| | — | | „ Salaries, etc. | 45 | — | — | — | — | — | — | — | — | — |
| | — | | By Balance c/d | £136 | 13 | 11 | — | — | — | — | — | — | — |
| 136 | 13 | | | — | — | — | — | — | — | — | — | — | — |
| 45 | — | „ 28 | To Balance b/d | — | — | — | — | — | — | — | — | — | — |

EXERCISE I—No. 16.

In addition to points indicated on page 24 of *Advanced Accounts*, the student would be well advised to check up carefully whether he has placed Assets on the *Dr.* side, and Liabilities on the *Cr.* side of the Trial Balance. Note, also, that all expense items are usually *Dr.* in the Trial Balance. In brief, *all balances* of accounts appear on the *same side* of the Trial Balance as shown in the ledger accounts.

EXERCISE I—No. 17.

The accuracy of the balance of a Bills Receivable Account is provided by the Bills Receivable Book if kept "marked up." The total bills outstanding as shown by the Bills Receivable Book should agree with the balance as shown by Bills Receivable Account.

EXERCISE I—No. 18.

X AND Y

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
30TH JUNE, 1938

| <i>Dr.</i> | | <i>Cr.</i> | |
|-------------------------------------|---------|---------------------------|---------|
| To Salaries | £ 2,630 | By Trading Account | £ |
| „ Rent, Rates, etc. | 1,250 | (gross profit) | 10,440 |
| „ Office Expenses, Stationery, etc. | 470 | „ Discounts Received | 810 |
| „ Bad Debts | 220 | „ Interest on Investments | 150 |
| „ Carriage Outwards | 310 | | |
| „ Discounts Allowed | 1,430 | | |
| „ Legal Expenses | 230 | | |
| „ Insurances | 320 | | |
| „ Interest on Capital Accounts— | | | |
| X 5% of £7,600 | 380 | | |
| Y 5% of £4,000 | 200 | | |
| „ Depreciation— | | | |
| Plant | 450 | | |
| Motor Lorries | 360 | | |
| Furniture, etc. | 90 | | |
| „ Balance—NET Profit— | | | |
| X $\frac{5}{8}$ of £3,060 | £1,700 | | |
| Y $\frac{3}{8}$ of £3,060 | £1,360 | | |
| | 3,060 | | |
| | £11,400 | | £11,400 |

EXERCISE I—No. 18 (contd.).

BALANCE SHEET OF X AND Y
AS AT 30TH JUNE, 1938

| <i>Liabilities</i> | | <i>Assets</i> | |
|----------------------------|---------|--------------------------|---------|
| | £ | | £ |
| <i>Capital Accounts—</i> | | Plant and Machinery . | 4,050 |
| X | 7,600 | Motor Lorries . | 1,440 |
| Y | 4,000 | Furniture and Fittings . | 810 |
| <i>Current Accounts—</i> | | Investments . | 2,500 |
| X Balance, 1st | | Stock, 30th June . | 6,780 |
| July | £1,650 | Sundry Debtors . | £6,790 |
| Add Share of | | Less Bad Debts | |
| Profit | £1,700 | Reserve | £500 |
| | 3,350 | | 6,290 |
| Y Share of Profit | £1,360 | Rates Paid in Advance . | 40 |
| Less O/drawn | £270 | Insurance do. | 30 |
| | 1,090 | Cash in hand | 30 |
| Bank O/draft | 1,320 | | |
| Bills Payable | 790 | | |
| Sundry Creditors | 3,820 | | |
| | £21,970 | | £21,970 |

EXERCISE II—No. 1.



THE PIMLICO CYCLE CO.

TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

(Dr. SIDE)

| | £ | s. | d. | £ | s. | d. |
|----------------------------------|-------|----|----|----------|----|----|
| To Stocks, 1st January— | | | | | | |
| „ Materials | 2,730 | — | — | | | |
| „ Machines | 7,858 | — | — | | | |
| | | | | 10,588 | — | — |
| „ Purchases—Materials | | | | 139,920 | — | — |
| „ Wages of Workmen | | | | 26,798 | — | — |
| „ Balance—Gross profit | | | | 19,484 | — | — |
| | | | | £196,790 | — | — |

(Cr. SIDE)

| | £ | s. | d. | £ | s. | d. |
|-----------------------------|-------|----|----|----------|----|----|
| By Sales—Machines | | | | 188,680 | — | — |
| „ Stocks, 31st December— | | | | | | |
| „ Materials | 1,860 | — | — | | | |
| „ Machines | 6,250 | — | — | | | |
| | | | | 8,110 | — | — |
| | | | | £196,790 | — | — |

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| <i>Liabilities.</i> | | | | <i>Assets.</i> | | | |
|--------------------------|-------|-------|--------|---------------------|-------|----|--------|
| | £ | s. | d. | | £ | s. | d. |
| Cash Creditor . . . | | | 4,200 | Cash at Bank . . . | | | 3,990 |
| Bills Payable . . . | | | 3,840 | Sundry Debtors. . . | 6,556 | - | - |
| Sundry Creditors . . | | | 4,462 | Less Bad Debts Res. | 320 | - | - |
| Com. due to Agents . | | | 700 | | | | 6,236 |
| <i>Capital Accounts—</i> | | | | <i>Stocks—</i> | | | |
| P. Brown: | | | | Materials . . . | 1,860 | - | - |
| Balance 1st Jan. . | 5,358 | 2 | - | Machines . . . | 6,250 | - | - |
| Add Interest . . | | 267 | 18 | | | | 8,110 |
| „ Share of Profit | 2,709 | 11 | - | Plant and Machinery | 6,880 | - | - |
| | | | | Less Depreciation . | 344 | - | - |
| | 8,335 | 9 | - | | | | 6,536 |
| Less Drawings. . | | 1,120 | - | Buildings | | | 2,500 |
| | | | 7,215 | | | | |
| <i>R. Phillips:</i> | | | | | | | |
| Balance 1st Jan. . | 4,900 | 4 | - | | | | |
| Add Interest . . | | 245 | - | | | | |
| „ Share of Profit | 2,709 | 11 | - | | | | |
| | | | | | | | |
| | 7,854 | 11 | - | | | | |
| Less Drawings. . | | 900 | - | | | | |
| | | | 6,954 | | | | |
| | £ | | 27,372 | | £ | | 27,372 |

EXERCISE II—No. 2.

MESSRS. WOLFE, HARVEY & CO
TRADING AND PROFIT AND LOSS ACCOUNT

| <i>Dr.</i> | | | | FOR THE YEAR ENDED 30TH JUNE, 19.. | | | | <i>Cr.</i> | | | |
|---|-------|----|----|------------------------------------|----|----|----------------------------------|------------|----|----|--|
| | £ | s. | d. | £ | s. | d. | | £ | s. | d. | |
| To Stock—1st July | | | | 9,262 | — | — | By Sales | 51,558 | — | — | |
| „ Purchases | | | | 44,662 | — | — | „ Stock—30th June | 19,514 | — | — | |
| „ Wages (manufacturing) | | | | 6,838 | — | — | | | | | |
| „ Balance—Gross profit | | | | 10,310 | — | — | | | | | |
| | | | | 71,072 | — | — | | 71,072 | — | — | |
| To Advertising | 2,160 | — | — | | | | By Trading Account: Gross profit | 10,310 | — | — | |
| Less amount paid in advance | 100 | — | — | | | | „ Discounts received | 766 | — | — | |
| | | | | 2,060 | — | — | | | | | |
| „ Rent, Rates & Taxes | 1,396 | — | — | | | | | | | | |
| „ Add amount owing | | | | 1,686 | — | — | | | | | |
| | | | | 1,700 | — | — | | | | | |
| „ Salaries | | | | 1,098 | — | — | | | | | |
| „ Trade Expenses | | | | | | | | | | | |
| „ Addition to Bad Debts Reserve | | | | 80 | — | — | | | | | |
| „ Bad Debts | | | | 152 | — | — | | | | | |
| „ Depreciation— | | | | | | | | | | | |
| Plant & Machinery | | | | | | | | | | | |
| 5% of £10,656 | | | | 532 | 16 | — | | | | | |
| „ Lease (annual amt. written off) | | | | 200 | — | — | | | | | |
| „ Interest on Capital Accounts— | | | | | | | | | | | |
| R. Wolfe: | | | | | | | | | | | |
| 5% of £23,120 | 1,156 | — | — | | | | | | | | |
| T. Harvey: | | | | | | | | | | | |
| 5% of £19,570 | 978 | 10 | — | 2,134 | 10 | — | | | | | |
| | | | | 1,082 | — | — | | | | | |
| „ Discounts allowed | | | | | | | | | | | |
| „ Balance—Net profit to Capital A/cs— | | | | | | | | | | | |
| R. Wolfe: $\frac{1}{2}$ share | 175 | 7 | — | | | | | | | | |
| T. Harvey: $\frac{1}{2}$ share | 175 | 7 | — | 350 | 14 | — | | | | | |
| | | | | 11,076 | — | — | | 11,076 | — | — | |

EXERCISE II—No. 2 (contd.).

MESSRS. WOLFE, HARVEY & CO.

BALANCE SHEET AS AT 30TH JUNE, 19..

| LIABILITIES | | | | ASSETS | | | |
|--------------------------|--------|----|----------|----------------------------------|--------|----|----------|
| | £ | s. | d. | | £ | s. | d. |
| Bills Payable . . . | | | | Cash | 100 | - | - |
| Sundry Creditors . . | 6,902 | - | - | Bank | 1,886 | - | - |
| Rent Outstanding . . | 11,224 | - | - | | | | |
| Capital Accounts— | 290 | - | - | Bills Receivable . . | | | 1,986 |
| R. Wolfe | | | | Sundry Debtors . . . | 25,928 | - | 940 |
| Balance, 1st July 23 120 | - | - | | Less Bad Debts . . | | | |
| Add Interest . . . | 1,156 | - | | Reserve | 500 | - | |
| „ Share of Profit . . | 175 | 7 | - | | | | 25,428 |
| | | | | Stock | | | 19,514 |
| Less Drawings . . | 24,451 | 7 | - | Plant & Machinery . | 10,656 | - | |
| | 1,400 | - | | Less Depreciation . | 532 | 16 | |
| | | | 23,051 | Lease | 3,000 | - | 10,123 |
| F. Harvey: | | | | Less annual amt. written off . . | 200 | - | |
| Balance, 1st July 19,570 | - | - | | Advertising prepaid . | | | 2,800 |
| Add Interest . . . | 978 | 10 | | | | | 100 |
| „ Share of Profit . . | 175 | 7 | - | | | | |
| | | | | | | | |
| Less Drawings . . | 20,723 | 17 | - | | | | |
| | 1,300 | - | | | | | |
| | | | 19,423 | | | | |
| | | | | | | | |
| | | | £ 60,891 | | | | £ 60,891 |

EXERCISE II—No. 3.

MESSRS. RICE & BAXTER

TRADING ACCOUNT

Dr. FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | | £ | s. | d. |
|-----------------------|--------|----|----------|---------------------|--------|----|----------|
| To Stock—1st Jan. . . | | | | By Sales | 29,360 | - | - |
| „ Purchases | 35,640 | - | - | Less Returns . . . | | | |
| Less Returns | | | | Inwards | 2,460 | - | - |
| Outward | 1,756 | - | - | | | | 26,900 |
| | | | 33,884 | „ Stock—31st Dec. . | | | 12,857 |
| „ Balance—Gross . . . | | | | | | | |
| Profit | | | 5,873 | | | | |
| | | | £ 39,757 | | | | £ 39,757 |

MESSRS. RICE & BAXTER

PROFIT AND LOSS ACCOUNT

Dr. FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | | £ | s. | d. |
|--|-------|----|---------|---|-------|----|---------|
| To Rent, Rates, & Taxes | 700 | - | - | By Trading Account—Gross profit | 5,873 | - | 10 |
| „ Trade Charges . . . | 460 | - | - | Interest Account— | | | |
| „ Interest & Discount | 270 | - | - | (For charge of 5% for 1 qr. on amount of £200 overdrawn by F. Baxter) . . | | 2 | 10 |
| „ Salaries | 1,200 | - | - | | | | |
| „ Bad Debts Reserve . . | | | | | | | |
| 2½% of £17,078 . . . | 426 | 19 | - | | | | |
| „ Interest on Capital Accounts— | | | | | | | |
| P. Rice: | | | | | | | |
| 5% of £20,000 . . . | 1,000 | - | - | | | | |
| F. Baxter: | | | | | | | |
| 5% of £10,000 . . . | 500 | - | - | | | | |
| | | | 1,500 | | | | |
| „ Balance, Net Profit to Capital A/cs: . . . | | | | | | | |
| P. Price: | | | | | | | |
| ½ share | 879 | 1 | 3 | | | | |
| F. Baxter: | | | | | | | |
| ½ share | 439 | 10 | 7 | | | | |
| | | | 1,318 | | | | |
| | | | £ 5,875 | | | | £ 5,875 |

EXERCISE II—No. 3 (*contd.*).

MESSRS. RICE & BAXTER
BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES | | | ASSETS | | |
|----------------------------|--------|------|-------------------------|--------|----|
| £ | s. | d. | £ | s. | d. |
| Bills Payable . . . | | | Bank—Current A/c. 2,418 | — | — |
| Sundry Creditors . . | | | „ — Deposit A/c. 1,000 | — | — |
| Rent Outstanding . . | | | | | |
| Capital Accounts— | | | | | |
| P. Rice: | | | Bills Receivable . . | | |
| Balance, 1st Jan. 20,000 | — | — | Sundry Debtors . . | 17,078 | — |
| Add Interest . . . 1,000 | — | — | Less Bad Debts | | |
| „ Share of Profit 879 | 1 | 3 | Reserve | 426 | 19 |
| | | | | | |
| | 21,879 | 1 3 | Stock | | |
| Less Drawings . . . | 1,600 | — | Furniture & Fixtures | | |
| | | | | | |
| | 20,279 | 1 3 | | | |
| F. Baxter: | | | | | |
| Balance, 1st Jan. 10,000 | — | — | | | |
| Add Interest 500 | — | — | | | |
| „ Share of Profit 439 | 10 | 7 | | | |
| | | | | | |
| | 10,939 | 10 7 | | | |
| Less Drawings . . . | 1,002 | 10 | | | |
| | | | | | |
| | 9,937 | — 7 | | | |
| (including Int. of £2½) | | | | | |
| £ | 36,986 | 1 10 | | | |

EXERCISE II—No. 4. ✓

MESSRS. LEWIS & CO.

TRADING ACCOUNT

Dr. FOR THE YEAR ENDED 30TH JUNE, 19.. Cr.

| £ | s. | d. | £ | s. | d. |
|------------------------|--------|------|----------------------|--------|------|
| To Stock, 1st July . . | 9,645 | — | By Sales | 37,500 | — |
| „ Purchases | 28,381 | — | „ Stock, 30th June . | 11,774 | 18 4 |
| „ Freight and Carriage | 158 | — | | | |
| „ Wages | 5,340 | — | | | |
| „ Bal.—Gross Profit . | 5,750 | 18 4 | | | |
| | | | | | |
| £ | 49,274 | 18 4 | £ | 49,274 | 18 4 |

⑥

PROFIT AND LOSS ACCOUNT

 C_T

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|--|-----|----|----|--------|----|----|--------|----|----|
| To Gas & Elec. Light | | | | 80 | - | - | | | |
| " Commission & Disc't. | | | | 420 | - | - | | | |
| " Addition to Bad Debts Reserve . | | | | 100 | - | - | | | |
| " Salaries | | | | 1,000 | - | - | | | |
| " Partnership Salary (due to T. Smithers) | | | | 300 | - | - | | | |
| " Rent, Rates & Taxes | | | | 1,500 | - | - | | | |
| " Travelling Exps. . | | | | 364 | - | - | | | |
| " Bad Debts. . . . | | | | 119 | - | - | | | |
| " General Expenses. | | | | 312 | - | - | | | |
| " Interest on Capital— P. Lewis: | | | | | | | | | |
| 5% of £7,012. | 350 | 12 | - | | | | | | |
| T. Smithers: | | | | | | | | | |
| 5% of £5,010. | 250 | 10 | - | | | | | | |
| | | | | 601 | 2 | - | | | |
| " Balance—Net Profit to Capital A/cs: | | | | | | | | | |
| P. Lewis, $\frac{1}{2}$ sh. | 556 | 19 | 6 | | | | | | |
| T. Smithers, $\frac{1}{2}$ sh. | 397 | 16 | 10 | | | | | | |
| | | | | 954 | 16 | 4 | | | |
| | | | | £5,750 | 18 | 4 | | | |
| | | | | | | | £5,750 | 18 | 4 |

BALANCE SHEET AS AT 30TH JUNE, 19..

| LIABILITIES. | | | £ | s. | d. | ASSETS. | | | £ | s. | d. | |
|-------------------|-------|----|-------|--------|----|------------------|---|-------|--------|--------|----|---|
| Bank Overdraft | . | . | 739 | - | - | Cash | . | . | 20 | - | - | |
| Bills Payable | . | . | 1,970 | - | - | Bills Receivable | . | . | 781 | - | - | |
| Sundry Creditors | . | . | 6,245 | - | - | Sundry Debtors | . | 9,036 | - | - | | |
| Capital Accounts— | | | | | | Add Debtors for | | | | | | |
| P. Lewis: | | | | | | Rent | . | 50 | - | - | | |
| Balance, 1st July | 7,012 | - | | | | | | 9,086 | - | - | | |
| Add Interest | 350 | 12 | | | | Less Bad Debts | | | | | | |
| „ Share of Profit | 556 | 19 | 6 | | | Reserve. | . | 230 | - | - | | |
| | 7,919 | 11 | 6 | | | | | | 8,856 | - | - | |
| Less Drawings | 1,000 | - | - | | | Stock | . | . | 11,774 | 18 | 4 | |
| | | | | 6,919 | 11 | 6 | | | | | | |
| T. Smithers: | | | | | | | | | | | | |
| Balance, 1st July | 5,010 | - | - | | | | | | | | | |
| Add Interest | 250 | 10 | - | | | | | | | | | |
| „ Salary | 300 | - | - | | | | | | | | | |
| „ Share of Profit | 397 | 16 | 10 | | | | | | | | | |
| | 5,958 | 6 | 10 | | | | | | | | | |
| Less Drawings | 400 | - | - | | | | | | | | | |
| | | | | 5,558 | 6 | 10 | | | | | | |
| | | | £ | 21,431 | 18 | 4 | | | £ | 21,431 | 18 | 4 |

EXERCISE II—No. 5.

MESSRS. ROCKLYN & CO.

BALANCE SHEET AS AT 30TH SEPTEMBER, 19..

| LIABILITIES. | | | £ | s. | d. | £ | s. | d. | ASSETS | | | £ | s. | d. | £ | s. | d. |
|--------------------------|-----|---|--------|----|----|--------|----|----|---------------------|--|--|-------|----|----|--------|----|----|
| Sundry Creditors . . | | | 3,080 | - | - | | | | Cash | | | 80 | - | - | | | |
| Capital Accounts— | | | | | | | | | Bank | | | 3,120 | - | - | 3,200 | - | - |
| R. Rocklyn: | | | | | | | | | Sundry Debtors . . | | | 9,300 | - | - | | | |
| Balance, 1st Oct. 10,840 | - | - | | | | | | | Less Bad Debts | | | | | | | | |
| Add Interest . . . | 542 | - | | | | | | | Reserve | | | 460 | - | - | | | |
| „ Share of Profit 5,528 | 17 | - | | | | | | | | | | | | | | | |
| | | | 16,910 | 17 | - | | | | | | | 8,840 | - | - | | | |
| Less Drawings . . | 800 | - | | | | 16,110 | 17 | - | Less Disct. Reserve | | | 221 | - | - | 8,619 | - | - |
| | | | | | | | | | | | | | | | 3,372 | - | - |
| P. Farmley: | | | | | | | | | Stock | | | | | | | | |
| Balance, 1st Oct. 10,306 | - | - | | | | | | | Plant & Machinery . | | | 7,000 | - | - | | | |
| Add Interest . . . | 515 | 6 | | | | | | | Less Depreciation | | | 350 | - | - | 6,650 | - | - |
| „ Share of Profit 5,528 | 17 | - | | | | | | | | | | | | | 10,000 | - | - |
| | | | 16,350 | 3 | - | | | | Premises | | | | | | 3,000 | - | - |
| Less Drawings . . | 700 | - | | | | 15,650 | 3 | - | Extension of Works | | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| | | | £ | | | 34,841 | - | - | | | | £ | | | 34,841 | - | - |

MESSRS. ROCKLYN & CO.

TRADING ACCOUNT

Dr. FOR THE YEAR ENDED 30TH SEPTEMBER, 19..

Cr.

| Dr. | £ | s. | d. | Cr. | £ | s. | d. |
|------------------------|--------|----|----|-----------------------|--------|----|----|
| To Stock, 1st Oct. . . | 7,960 | - | - | By Sales | 49,240 | - | - |
| „ Purchases | 18,682 | - | - | „ Stock, 30th Sept. . | 3,372 | - | - |
| „ Wages of Workmen . | 6,338 | - | - | | | | |
| „ Coal and Coke . . | 1,040 | - | - | | | | |
| „ Bal.—Gross Profit . | 18,592 | - | - | | | | |
| | £ | | | | £ | | |
| | 52,612 | - | - | | 52,612 | - | - |

EXERCISE II—No. 5 (*contd.*).

MESSRS. ROCKLYN & CO.

PROFIT AND LOSS ACCOUNT

| <i>Dr.</i> | | | FOR THE YEAR ENDED 30TH SEPTEMBER, 19.. | | | <i>Cr.</i> | | |
|--|-----|-------|---|-------|--------------------------------|------------|-------|---|
| | £ | s. d. | £ | s. d. | | £ | s. d. | |
| To Repairs and Renewals | | | 1,140 | — | By Trading Account— | | | |
| „ Bad Debts. . . | | | 196 | — | „ Gross Profit | 18,592 | — | — |
| „ General Expenses. . | | | 920 | — | „ Rents received | 300 | — | — |
| „ Travellers' Salaries and Commission | | | 1,300 | — | „ Discounts received | 390 | — | — |
| „ Discounts allowed | | | 860 | — | | | | |
| „ Rates and Taxes . | | | 760 | — | | | | |
| „ Salaries of Clerks . | | | 960 | — | | | | |
| „ Bad Debts Reserve | | | 460 | — | | | | |
| „ Discount Reserve or Debtors | | | | — | | | | |
| „ Depreciation— Plant, etc. (2½% of £8,840) | | | 221 | — | | | | |
| „ Interest on Capital— R. Rocklyn: 5% of £10,840 | 542 | — | | — | | | | |
| P. Farmley: 5% of £10,306 | 515 | 6 | | — | | | | |
| | | | 1,057 | 6 | | | | |
| „ Balance—NET Profit to Capital A/cs. R. Rocklyn: ¼ sh. 5,528 | 17 | — | | — | | | | |
| P. Farmley: ¼ sh. 5,528 | 17 | — | | — | | | | |
| | | | 11,057 | 14 | | | | |
| | | | £ 19,282 | — | | £ 19,282 | — | — |

EXERCISE II—No. 6.

MESSRS. W. PRICE & E. ACKWORTH

BALANCE SHEET AS AT 31ST MARCH, 19..

| LIABILITIES | | | | ASSETS | | | |
|--------------------------|-------|-------|----------|--------|--|------------|-------|
| | £ | s. d. | £ | s. d. | | £ | s. d. |
| Bills Payable . . . | | | 642 | 3 4 | Cash in Hand | 6 7 3 | |
| Rent Owning . . . | | | 50 | — | Cash at Bank | 112 6 6 | |
| Sundry Creditors . | | | 2,267 | 16 9 | | | |
| <i>Capital Accounts—</i> | | | | | Sundry Debtors | 4,796 10 — | |
| W. Price— | | | | | Less Bad Debts Reserve | 119 18 3 | |
| Bal., 1st April . . | 5,696 | 10 — | | | | | |
| Add Interest . . | 284 | 16 6 | | | Stock | | |
| | 5,981 | 6 6 | | | Plant, Machinery, and Fixtures | 5,672 13 4 | |
| Less Drawings . . | 396 | 10 — | | | Less Depreciation . . . | 567 5 4 | |
| „ Half Share of Loss . . | 250 | — | | | Insurance Unexpired . . | | |
| | 646 | 10 — | | | | | |
| E. Ackworth— | | | 5,334 | 16 6 | | | |
| Bal., 1st April . . | 3,626 | 3 4 | | | | | |
| Add Interest . . | 181 | 6 2 | | | | | |
| | 3,807 | 9 6 | | | | | |
| Less Drawings . . | 285 | 14 6 | | | | | |
| „ Half Share of Loss . . | 250 | — | | | | | |
| | 535 | 14 6 | | | | | |
| | | | 3,271 | 15 — | | | |
| | | | £ 11,566 | 11 7 | | | |
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EXERCISE II—No. 6 (*contd.*).

MESSRS. W. PRICE & E. ACKWORTH

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 19..

| <i>Dr.</i> | | | | | | <i>Cr.</i> | | |
|---------------------------|-------|-------|----------|-------|------------------------|------------|-------|-------------|
| | £ | s. d. | £ | s. d. | | £ | s. d. | |
| To Stock, 1st April . . . | | | 2,172 | 11 3 | By Sales | 12,617 | 15 - | |
| " Purchases | 8,329 | 4 1 | | | Less Returns | | | |
| Less Returns Out- | | | | | Inward | 742 | 2 6 | |
| ward | 317 | 6 7 | 8,011 | 17 6 | " Stock | | | 11,875 12 6 |
| " Carriage Inwards . . . | | | 89 | 15 5 | | | | 1,658 14 9 |
| " Manufactg. Wages . . . | | | 991 | 9 10 | | | | |
| " " Expenses | | | 267 | 19 8 | | | | |
| " Factory Fuel and | | | | | | | | |
| Power | | | 54 | 6 2 | | | | |
| " Balance, Gross | | | 1,946 | 7 5 | | | | |
| Profit c/d | | | | | | | | |
| | | | £ 13,534 | 7 3 | | £ 13,534 | 7 3 | |
| To Office Salaries . . . | | | 374 | 10 6 | By Trading Account, | | | |
| " Lighting and Heat- | | | | | Gross Profit b/d | 1,946 | 7 5 | |
| ing | | | 39 | 5 7 | " Bal., Net Loss . . . | 500 | - - | |
| " Travelling | | | 92 | 6 7 | | | | |
| " Carriage Outwards . . | | | 95 | 18 9 | | | | |
| " Rent, Rates, and | | | | | | | | |
| Taxes | 276 | 14 9 | | | | | | |
| Add Quarter's Rent | | | | | | | | |
| owing | 50 | - - | 326 | 14 9 | | | | |
| " Office Expenses . . . | | | 271 | 14 4 | | | | |
| " Discount | | | 42 | 7 9 | | | | |
| " Insurance | 57 | 6 3 | | | | | | |
| Less amount un- | | | | | | | | |
| expired | 7 | 3 4 | 50 | 2 11 | | | | |
| " Interest on Capital . . | | | 466 | 2 8 | | | | |
| " Provision for Bad | | | | | | | | |
| Debts | | | 119 | 18 3 | | | | |
| " Depreciation— | | | | | | | | |
| 10% of Plant, etc. | | | 567 | 5 4 | | | | |
| | | | £ 2,446 | 7 5 | | £ 2,446 | 7 5 | |

EXERCISE II—No. 7.

MESSRS. PERRY & RUSTON

TRADING ACCOUNT

FOR THE YEAR ENDED 30TH APRIL, 19..

| <i>Dr.</i> | | | | | | <i>Cr.</i> | | |
|----------------------------|--------|-------|----------|-------|---------------------|------------|-------|------------|
| | £ | s. d. | £ | s. d. | | £ | s. d. | |
| To Stock, 1st May . . . | | | 6,390 | - - | By Sales | 21,360 | - - | |
| " Purchases | 11,720 | - - | | | Less Returns | | | |
| Less Returns | | | | | Inwards | 2,860 | - - | |
| Outward | 1,620 | - - | 10,100 | - - | " Stock, 30th April | | | 18,500 - - |
| " Carriage Inwards . . . | | | 358 | - - | | | | 9,384 - - |
| " Wages (manufctg.) . . . | | | 3,994 | - - | | | | |
| " Bal., Gross Profit . . . | | | 7,042 | - - | | | | |
| | | | £ 27,884 | - - | | £ 27,884 | - - | |

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| LIABILITIES. | | | | ASSETS. | | | |
|--|--------|----|----|---------------------------|-------|----|----|
| | £ | s. | d. | | £ | s. | d. |
| Bills Payable | | | | Cash | 40 | - | - |
| Sundry Creditors : | 3,578 | - | - | Bank | 1,898 | - | - |
| Less Disc't. Reserve | 89 | 9 | - | | | | |
| | | | | | | | |
| | | | | Bills Receivable. | | | |
| Cash Creditor (including accrued interest) | | | | Sundry Debtors. | 6,322 | - | - |
| | | | | Less Bad Debts | | | |
| <i>Capital Accounts—</i> | | | | Reserve | 291 | - | - |
| Ferry: | | | | | | | |
| Balance, 1st May | 9,280 | - | - | | | | |
| Add Interest | 464 | - | - | Less Disc't. Reserve | 6,031 | - | - |
| „ Share of Profit | 728 | 11 | 6 | | 226 | 3 | 3 |
| | | | | | | | |
| Less Drawings | | | | Stock | | | |
| | 10,472 | 11 | 6 | Plant & Machinery | 5,900 | - | - |
| | 800 | - | - | Less Depreciation | 590 | - | - |
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| | | | | Premises. | | | |
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EXERCISE II—No. 8.

MESSRS. KINGSLEY & LARKE

TRADING ACCOUNT

Dr.

FOR THE YEAR ENDED 31ST JULY, 19..

Cr.

| | £ | s. | d. | | £ | s. | d. |
|------------------------|----------|----|----|----------------------|----------|----|----|
| To Stock, 1st Aug. . . | 10,764 | - | - | By Sales | 47,560 | - | - |
| „ Purchases | 21,162 | - | - | „ Stock, 31st July . | 9,550 | - | - |
| „ Wages (manufctg.) . | 9,294 | - | - | | | | |
| „ Bal.—Gross Profit . | 15,890 | - | - | | | | |
| | £ 57,110 | - | - | | £ 57,110 | - | - |

MESSRS. KINGSLEY & LARKE

PROFIT AND LOSS ACCOUNT

Dr.

FOR THE YEAR ENDED 31ST JULY, 19..

Cr.

| | £ | s. | d. | | £ | s. | d. | | £ | s. | d. |
|------------------------------|-------|----|----|----------|----|----|----|-----------------------|----------|----|----|
| To Discounts allowed | | | | 950 | - | - | | By Trading Account— | | | |
| „ General Charges . . | | | | 1,370 | - | - | | „ Gross Profit . . . | 15,890 | - | - |
| „ Rent, Rates & Taxes | | | | 3,500 | - | - | | „ Discounts recd. . . | 520 | - | - |
| „ Bad Debts | | | | 920 | - | - | | „ Bad Debts Res., | | | |
| „ Salaries | | | | 2,520 | - | - | | 1st Aug. | 1,160 | - | - |
| „ Insurance | | | | 190 | - | - | | Less New Pro- | | | |
| „ Int. on Capital A/cs— | | | | | | | | vision (provided) 600 | - | - | |
| B. Kingsley: | | | | | | | | | 560 | - | - |
| (5% of £21,360) 1,068 | - | - | | | | | | | | | |
| R. Larke: | | | | | | | | | | | |
| (5% of £10,640) 532 | - | - | | 1,600 | - | - | | | | | |
| „ Depreciation— | | | | | | | | | | | |
| Patents | | | | | | | | | | | |
| (10% of £3,000) 300 | - | - | | | | | | | | | |
| Plant & Machinery | | | | | | | | | | | |
| (10% of £14,690) 1,469 | - | - | | | | | | | | | |
| Business Premises 200 | - | - | | 1,969 | - | - | | | | | |
| „ Work Manager's | | | | | | | | | | | |
| Commission | | | | | | | | | | | |
| (5% of £3,951) | | | | 197 | 11 | - | | | | | |
| „ Balance—Net Profit | | | | | | | | | | | |
| to Capital A/cs— | | | | | | | | | | | |
| Kingsley: $\frac{1}{2}$ sh.. | 2,502 | 6 | - | | | | | | | | |
| Larke: $\frac{1}{2}$ sh. . | 1,251 | 3 | - | | | | | | | | |
| | | | | 3,753 | 9 | - | | | | | |
| | | | | £ 16,970 | - | - | | | £ 16,970 | - | - |

EXERCISE II—No. 9 (*contd.*).

MESSRS. RAMSDEN & BROOKES

TRADING ACCOUNT

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|------------------------------------|--------|--------|----|----------------------|--------|--------|----|
| FOR THE YEAR ENDED 30TH JUNE, 19.. | | | | | | | |
| To Stock, 1st July . . | £ | s. | d. | By Sales | £ | s. | d. |
| „ Purchases | 5,900 | — | — | „ Stock, 30th June . | 29,384 | — | — |
| „ Wages | 17,182 | — | — | | 2,498 | — | — |
| „ Bal.—Gross Profit . | 2,940 | — | — | | | | |
| | 5,860 | — | — | | | | |
| | £ | 31,882 | — | | £ | 31,882 | — |

MESSRS. RAMSDEN & BROOKES

BALANCE SHEET AS AT 30TH JUNE, 19..

| LIABILITIES. | | | | ASSETS. | | | | | |
|--------------------------|-----------|----|------------|---------|----|-----------------------|----------|----|------------|
| £ | s. | d. | £ | s. | d. | £ | s. | d. | |
| Bills Payable | | | 3,800 | — | — | Cash | 30 | — | — |
| Sundry Creditors . . | | | 8,192 | — | — | Bank | 1,120 | — | — |
| Capital Accounts— | | | | | | | | | 1,150 |
| A. Ramsden: | | | | | | Bills Receivable . . | | | 620 |
| Balance, 1st July 12,300 | — | — | | | | Sundry Debtors . . . | 20,176 | — | — |
| Add Interest | 615 | — | | | | Less Bad Debts . . . | | | |
| „ Share of Profit 664 12 | — | — | | | | Reserve | 1,008 16 | — | |
| | 13,579 12 | — | | | | Stock | | | 19,167 4 |
| Less Drawings | 1,200 | — | | | | Plant & Machinery . | 3,580 | — | 2,498 |
| | | | 12,379 12 | — | | Less Depreciation . . | 356 | — | |
| P. Brookes: | | | | | | | | | 3,204 |
| Balance, 1st July 6,860 | — | — | | | | Premises | | | 5,000 |
| Add Interest | 343 | — | | | | | | | |
| „ Share of Profit 664 12 | — | — | | | | | | | |
| | 7,867 12 | — | | | | | | | |
| Less Drawings | 600 | — | | | | | | | |
| | | | 7,267 12 | — | | | | | |
| | | | £ 31,639 4 | — | | | | | £ 31,639 4 |

EXERCISE II—No. 10.

MESSRS. A B C & CO.

TRADING ACCOUNT

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|--|--------|--------|--------|----------------------|--------|--------|----|
| FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | | | | |
| To Stock, 1st Jan. . . | £ | s. | d. | By Sales | £ | s. | d. |
| „ Purchases | 10,000 | — | — | Less Returns | 25,000 | — | — |
| Less Returns | | | | Inward | 300 | — | — |
| Outward | 200 | — | — | „ Stock, 31st Dec. | | | |
| | | | | | | | |
| Wages (manfg.) . . . | | | 9,800 | | | | |
| Rent of Factory . . . | | | 2,000 | | | | |
| Carriage & Freight . . | | | 250 | | | | |
| on Raw Material . . . | | | 500 | | | | |
| „ Bal., Gross Profit . | | | 14,650 | | | | |
| | £ | 32,200 | — | | £ | 32,200 | — |

EXERCISE II—No. 10 (contd.).

MESSRS. A B C & CO.
PROFIT AND LOSS ACCOUNT

Dr. FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | £ | s. | d. | £ | s. | d. | | £ | s. | d. | £ | s. | d. |
|----------------------------------|-------|----|----|----------|----|----|-----------------------|---|----|----|----------|----|----|
| To General Expenses | | | | | | | By Trading Account | | | | | | |
| (trade) | | | | 1,200 | — | — | Gross Profit . . | | | | 14,650 | — | — |
| „ Travelling Exps. . | | | | 600 | — | — | „ Discts. received . | | | | 180 | — | — |
| „ Office Salaries . . | | | | 2,200 | — | — | „ Interest received . | | | | 120 | — | — |
| „ Addition to Bad | | | | | | | „ Interest on C's | | | | | | |
| Debts Reserve . . | | | | 400 | — | — | overdrawn | | | | | | |
| „ Discts. allowed . . | | | | 220 | — | — | Capital A/c . . | | | | 50 | — | — |
| „ Rates, Taxes, and | | | | | | | | | | | | | |
| Insurance | | | | 120 | — | — | | | | | | | |
| „ Depreciation— | | | | | | | | | | | | | |
| Horses, Harness, | | | | | | | | | | | | | |
| etc. | | | | | | | | | | | | | |
| (10% of £2,000) | 200 | — | — | | | | | | | | | | |
| Plant & Machinery | | | | | | | | | | | | | |
| (5% of £6,000) | 300 | — | — | | | | | | | | | | |
| Fixtures and Fittings | | | | | | | | | | | | | |
| (10% of £500) | 50 | — | — | | | | | | | | | | |
| | | | | 550 | — | — | | | | | | | |
| „ Int. on Cap. A/cs | | | | | | | | | | | | | |
| A (5% of £10,000) | 500 | — | — | | | | | | | | | | |
| B (5% of £10,000) | 500 | — | — | | | | | | | | | | |
| | | | | 1,000 | — | — | | | | | | | |
| Bal.—Net Profit | | | | | | | | | | | | | |
| to Cap. A/cs— | | | | | | | | | | | | | |
| A, $\frac{1}{8}$ share | 3,484 | — | — | | | | | | | | | | |
| B, $\frac{1}{8}$ share | 3,484 | — | — | | | | | | | | | | |
| C, $\frac{1}{8}$ share | 1,742 | — | — | | | | | | | | | | |
| | | | | 8,710 | — | — | | | | | | | |
| | | | | £ 15,000 | — | — | | | | | £ 15,000 | — | — |

MESSRS. A B C & CO.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | £ | s. | d. | £ | s. | d. | ASSETS. | £ | s. | d. | £ | s. | d. |
|------------------------|--------|----|----|----------|----|----|-----------------------|-------|----|----|----------|----|----|
| Sundry Creditors . . | | | | 1,000 | — | — | Cash | 10 | — | — | | | |
| Capital Accounts— | | | | | | | Bank | 2,300 | — | — | | | |
| A: Bal., 1st Jan. . . | 10,000 | — | — | | | | | | | | 2,310 | — | — |
| Add Interest . . . | 500 | — | — | | | | Sundry Debtors . . | 6,000 | — | — | | | |
| „ Sh. of Profit . . . | 3,484 | — | — | | | | Less Bad Debts | | | | | | |
| | | | | | | | Reserve | 600 | — | — | | | |
| | 13,984 | — | — | | | | | | | | 5,400 | — | — |
| Less Drawings . . . | 1,000 | — | — | | | | Advance on M'tgage | | | | 2,000 | — | — |
| | | | | 12,984 | — | — | Stock | | | | 7,500 | — | — |
| B: Bal., 1st Jan. . . | 10,000 | — | — | | | | Fixtures & Fittings . | 500 | — | — | | | |
| Add Interest . . . | 500 | — | — | | | | Less Depreciation | 50 | — | — | | | |
| „ Sh. of Profit . . . | 3,484 | — | — | | | | | | | | 450 | — | — |
| | 13,984 | — | — | | | | Horses, Harness, and | | | | | | |
| Less Drawings . . . | 1,000 | — | — | | | | Vehicles | 2,000 | — | — | | | |
| | | | | 12,984 | — | — | Less Depreciation | 200 | — | — | 1,800 | — | — |
| C: Share of Profit . . | 1,742 | — | — | | | | Plant & Machinery . | 6,000 | — | — | | | |
| Less Balance . . . | | | | | | | Less Depreciation | 300 | — | — | | | |
| 1st Jan. £1,000 . . | | | | | | | | | | | 5,700 | — | — |
| Less Drawings . . . | | | | | | | Freehold Offices . . | | | | 2,000 | — | — |
| 500 | | | | | | | | | | | | | |
| Int. . . 50 | | | | | | | | | | | | | |
| | 1,550 | — | — | | | | | | | | | | |
| | | | | 192 | — | — | | | | | | | |
| | | | | £ 27,160 | — | — | | | | | £ 27,160 | — | — |

EXERCISE II—No. II.

POOLE & CO.

PROFIT AND LOSS ACCOUNT

Dr. FOR THE YEAR ENDED 30TH SEPTEMBER, 19..

Cr.

| | £ | s. | d. | £ | s. | d. | | £ | s. | d. | £ | s. | d. |
|------------------------------------|-----|----|----|--------|----|----|------------------------------|---|----|----|--------|----|----|
| To Salaries | | | | 940 | — | — | By Trading Account | | | | | | |
| " Commission | | | | 660 | — | — | Gross Profit | | | | 7,610 | — | — |
| " Discts. allowed | | | | 1,064 | — | — | " Discts. received | | | | 720 | — | — |
| " Rent, Rates, and Taxes | | | | 1,660 | — | — | | | | | | | |
| " General Expenses | | | | 872 | — | — | | | | | | | |
| " Travelling Exps. | | | | 520 | — | — | | | | | | | |
| " Deprecn. of Plant | | | | 1,026 | — | — | | | | | | | |
| " Int. on Cap. A/c | | | | | | | | | | | | | |
| R. Poole: | | | | | | | | | | | | | |
| (5% of £9,000) | 450 | — | — | | | | | | | | | | |
| F. Winchley: | | | | | | | | | | | | | |
| (5% of £9,000) | 450 | — | — | | | | | | | | | | |
| " Bal.—Net Profit to Capital A/cs: | | | | 900 | — | — | | | | | | | |
| R. Poole $\frac{1}{2}$ sh. | 344 | — | — | | | | | | | | | | |
| F. Winchley, $\frac{1}{2}$ sh. | 344 | — | — | | | | | | | | | | |
| | | | | 688 | — | — | | | | | | | |
| | | | | £8,330 | — | — | | | | | £8,330 | — | — |

POOLE & CO.

TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|----------------------------------|---------|----|----|---------|----|----|
| Drawings Accounts— | | | | | | |
| R. Poole | 800 | — | — | | | |
| F. Winchley | 800 | — | — | | | |
| Sundry Debtors | 7,360 | — | — | | | |
| Plant and Machinery | 9,252 | — | — | | | |
| Premises | 3,000 | — | — | | | |
| Bank | 1,180 | — | — | | | |
| Salaries | 940 | — | — | | | |
| Carriage | 450 | — | — | | | |
| Commission | 660 | — | — | | | |
| Depreciation | 1,026 | — | — | | | |
| Discounts allowed | 1,064 | — | — | | | |
| Rent, Rates, and Taxes | 1,660 | — | — | | | |
| Wages | 5,480 | — | — | | | |
| General Expenses | 872 | — | — | | | |
| Travelling Expenses | 520 | — | — | | | |
| Purchases | 26,720 | — | — | | | |
| Capital Accounts— | | | | | | |
| R. Poole | | | | 9,000 | — | — |
| F. Winchley | | | | 9,000 | — | — |
| Bills Payable | | | | 1,500 | — | — |
| Sundry Creditor | | | | 6,204 | — | — |
| Discounts received | | | | 720 | — | — |
| Sales | | | | 35,360 | — | — |
| | £61,784 | — | — | £61,784 | — | — |
| Stock, 30th Sept., £4,900. | | | | | | |

EXERCISE II—No. 11 (*contd.*).

POOLE & CO.

BALANCE SHEET AS AT 30TH SEPTEMBER, 19..

| LIABILITIES. | | | £ | s. | d. | £ | s. | d. |
|--------------------------|---|---|-------|----|----|---------|----|----|
| Bills Payable | . | . | | | | 1,500 | — | — |
| Sundry Creditors | . | . | | | | 6,204 | — | — |
| <i>Capital Accounts—</i> | | | | | | | | |
| R. Poole : | | | | | | | | |
| Balance, 1st Oct. | . | . | 9,000 | — | — | | | |
| Add Interest | . | . | 450 | — | — | | | |
| „ Share of Profit | . | . | 344 | — | — | | | |
| | | | 9,794 | — | — | | | |
| Less Drawings | . | . | 800 | — | — | 8,994 | — | — |
| F. Winchley : | | | | | | | | |
| Balance, 1st Oct. | . | . | 9,000 | — | — | | | |
| Add Interest | . | . | 450 | — | — | | | |
| „ Share of Profit | . | . | 344 | — | — | | | |
| | | | 9,794 | — | — | | | |
| Less Drawings | . | . | 800 | — | — | 8,994 | — | — |
| | | | | | | £25,692 | — | — |
| ASSETS. | | | | | | | | |
| Bank | . | . | | | | 1,180 | — | — |
| Sundry Debtors | . | . | | | | 7,360 | — | — |
| Stock | . | . | | | | 4,900 | — | — |
| Plant—NET | . | . | | | | 9,252 | — | — |
| Premises | . | . | | | | 3,000 | — | — |
| | | | | | | £25,692 | — | — |

POOLE & CO.

TRADING ACCOUNT

Dr. FOR THE YEAR ENDED 30TH SEPTEMBER, 19.. Cr.

| | £ | s. | d. | | £ | s. | d. |
|---------------------|----------|----|----|---------------------|----------|----|----|
| To Purchases | 26,720 | — | — | By Sales | 35,360 | — | — |
| „ Carriage | 450 | — | — | „ Stock, 30th Sept. | 4,900 | — | — |
| „ Wages of Workmen | 5,480 | — | — | | | | |
| „ Bal.—Gross Profit | 7,610 | — | — | | | | |
| | £ 40,260 | — | — | | £ 40,260 | — | — |

EXERCISE II—No. 12.

MESSRS. H. OAKLEY & W. DENHAM

TRADING AND PROFIT AND LOSS ACCOUNT

Dr.

FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | £ | s. | d. | | £ | s. | d. | £ | s. | d. |
|--------------------------------|-------|----|----|----------|----|----|-----------------------------|---|----|----|----------|----|----|
| To Stock, 1st Jan. | | | | 10,910 | 5 | 5 | By Sales | | | | 45,230 | 2 | 10 |
| „ Purchases | | | | 31,038 | 10 | 7 | „ Stock, 31st Dec., | | | | 14,725 | 2 | 6 |
| „ Carriage | | | | 1,068 | 2 | 9 | „ 19.. . . . | | | | | | |
| „ Wages | | | | 7,930 | 1 | 4 | | | | | | | |
| „ Bal., Gross Profit | | | | 9,010 | 5 | 3 | | | | | | | |
| | | | | £ 59,955 | 5 | 4 | | | | | £ 59,955 | 5 | 4 |
| To Salaries | | | | 550 | — | — | By Trading Account, | | | | | | |
| „ Rates and Taxes | | | | 251 | 9 | 11 | „ Gross Profit | | | | 9,010 | 5 | 3 |
| „ Gen. Trade Exps. | | | | 1,040 | 17 | 2 | „ Interest and Dis- | | | | 43 | 12 | 1 |
| „ Repairs | | | | 337 | 13 | 1 | | | | | | | |
| „ Office Expenses | | | | 104 | 5 | 3 | | | | | | | |
| „ Insurance | | | | 191 | 11 | 4 | | | | | | | |
| „ Int. on Mortgage | | | | | | | | | | | | | |
| (½ yr. at 5% of) | | | | | | | | | | | | | |
| £4,500 added) | | | | 225 | — | — | | | | | | | |
| „ Bad Debts Reserve | | | | | | | | | | | | | |
| (5% of £8,510) | | | | 425 | 10 | — | | | | | | | |
| „ Depreciation— | | | | | | | | | | | | | |
| Machinery & Plant | 450 | — | — | | | | | | | | | | |
| (7½% of £6,000) | | | | | | | | | | | | | |
| Fixtures & Fittings | 216 | — | — | | | | | | | | | | |
| (6% of £3,600) | | | | 666 | — | — | | | | | | | |
| „ Int. on Capital A/cs | | | | | | | | | | | | | |
| H. Oakley | | | | | | | | | | | | | |
| (5% of £10,000) | 500 | — | — | | | | | | | | | | |
| W. Denham | 450 | — | — | | | | | | | | | | |
| (5% of £9,000) | | | | 950 | — | — | | | | | | | |
| „ Addition to Res. | | | | | | | | | | | | | |
| Fund provided | | | | | | | | | | | | | |
| (7½% of £4,311/10/7) | | | | 323 | 7 | 3 | | | | | | | |
| „ Bal.—Net Profit | | | | | | | | | | | | | |
| to Capital A/cs: | | | | | | | | | | | | | |
| H. Oakley, ½ sh. | 1,994 | 1 | 8 | | | | | | | | | | |
| W. Denham, ½ sh. | 1,994 | 1 | 8 | | | | | | | | | | |
| | | | | 3,988 | 3 | 4 | | | | | | | |
| | | | | £ 9,053 | 17 | 4 | | | | | £ 9,053 | 17 | 4 |

MESSRS. H. OAKLEY & W. DENHAM
BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | £ | s. | d. | £ | s. | d. | <u>ASSETS.</u> | £ | s. | d. | £ | s. | d. |
|---|--------|----|----|----------|----|----|------------------------------|-------|----|----|----------|----|----|
| Bank Overdraft . . . | - | - | - | 2,437 | - | - | Cash in hand . . . | - | - | - | 472 | - | - |
| Bills Payable . . . | - | - | - | 2,402 | 8 | 2 | Sundry Debtors . . . | 8,510 | - | - | - | - | - |
| Sundry Creditors . . . | - | - | - | 13,802 | 18 | 4 | Less Bad Debts Reserve . . . | 425 | 10 | - | 8,084 | 10 | - |
| Mtgs. on Premises . . . | 4,500 | - | - | - | - | - | Stock . . . | - | - | - | 14,725 | 2 | 6 |
| Int. due on Mtggs. . . | 112 | 10 | - | 4,612 | 10 | - | Machinery & Plant . . . | 6,000 | - | - | - | - | - |
| Reserve Fund . . . | 1,050 | - | - | - | - | - | Less Depreciation . . . | 450 | - | - | 5,550 | - | - |
| Add Transfer from Profit and Loss . . . | 323 | 7 | 3 | 1,373 | 7 | 3 | Fixtures & Fittings . . . | 3,600 | - | - | - | - | - |
| Capital Accounts— H. Oakley: Bal., 1st Jan. . . | 20,000 | - | - | - | - | - | Less Depreciation . . . | 216 | - | - | 3,384 | - | - |
| " Add Interest . . . | 500 | - | - | - | - | - | Freehold Premises . . . | - | - | - | 13,100 | - | - |
| " Sh. of Profit . . . | 1,994 | 1 | 8 | - | - | - | | | | | | | |
| | 12,494 | 1 | 8 | - | - | - | | | | | | | |
| Less Drawings . . . | 1,767 | 10 | - | 10,726 | 11 | 8 | | | | | | | |
| W. Denham: Bal., 1st Jan. . . | 9,000 | - | - | - | - | - | | | | | | | |
| " Add Interest . . . | 450 | - | - | - | - | - | | | | | | | |
| " Sh. of Profit . . . | 1,994 | 1 | 8 | - | - | - | | | | | | | |
| | 11,444 | 1 | 8 | - | - | - | | | | | | | |
| Less Drawings . . . | 1,482 | 10 | - | 9,961 | 11 | 8 | | | | | | | |
| | | | | £ 45,316 | 7 | 1 | | | | | £ 45,316 | 7 | 1 |

LEDGER

(Dr. SIDE) H. SHEPHERD'S DRAWINGS ACCOUNT

| | | Months. | Interest. | | | Amount. | | |
|--------|--------------------|---------|-----------|----|----|---------|----|----|
| | | | £ | s. | d. | £ | s. | d. |
| 19.. | | | | | | | | |
| Feb. 1 | To Cash | 11 | 2 | 5 | 10 | 50 | — | — |
| Apr. 1 | " " | 9 | 3 | 15 | — | 100 | — | — |
| June 1 | " " | 7 | 1 | 9 | 2 | 50 | — | — |
| Aug. 1 | " " | 5 | 1 | — | 10 | 50 | — | — |
| Oct. 1 | " " | 3 | 1 | 5 | — | 100 | — | — |
| Dec. 1 | " " | 1 | | 4 | 2 | 50 | — | — |
| 31 | " Interest | | | | | 10 | — | — |
| | | | | | | £410 | — | — |

EXERCISE II—No. 13 (*contd.*).

(Dr. SIDE) G. ELKINGTON'S DRAWINGS ACCOUNT

| | | Months. | Interest. | | | Amount. | | |
|---------|----------------------|---------|-----------|----|----|-------------|----------|----------|
| | | | £ | s. | d. | £ | s. | d. |
| 19.. | | | | | | | | |
| Feb. 1 | To Cash | 11 | 1 | 2 | 11 | 25 | — | — |
| Mar. 1 | " " | 10 | 1 | 11 | 3 | 37 | 10 | — |
| May 1 | " " | 8 | 2 | 1 | 8 | 62 | 10 | — |
| June 1 | " " | 7 | 1 | 9 | 2 | 50 | — | — |
| Aug. 1 | " " | 5 | | 10 | 5 | 25 | — | — |
| Sept. 1 | " " | 4 | | 12 | 6 | 37 | 10 | — |
| Nov. 1 | " " | 2 | | 10 | 5 | 62 | 10 | — |
| Dec. 1 | " " | 1 | | 4 | 2 | 50 | — | — |
| 31 | " Interest | | | | | 8 | 2 | 6 |
| | | | | | | <u>£358</u> | <u>2</u> | <u>6</u> |

MESSRS. H. SHEPHERD & G. ELKINGTON

TRADING AND PROFIT AND LOSS ACCOUNT

Dr. FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | £ | s. | d. | £ | s. | d. | | £ | s. | d. | £ | s. | d. |
|--|-------|----|----|---------------|-----------|----------|--|----|----|----|---------------|-----------|----------|
| To Purchases | | | | 3,857 | 6 | 6 | By Sales | | | | 9,756 | 10 | 7 |
| " Carriage & Freight | | | | 255 | 4 | 7 | " Stock, 31st Dec. | | | | 3,750 | — | — |
| " Wages | | | | 1,304 | 2 | 6 | | | | | | | |
| " Bal., Gross Profit | | | | 8,089 | 17 | — | | | | | | | |
| | | | | <u>13,506</u> | <u>10</u> | <u>7</u> | | | | | <u>13,506</u> | <u>10</u> | <u>7</u> |
| To Salaries | | | | 457 | 10 | — | By Trading Account | | | | | | |
| " Taxes & Insurance | | | | 224 | 12 | 6 | Gross Profit | | | | 8,089 | 17 | — |
| " Rents | | | | 525 | 7 | 6 | " Interest on Drawing Accounts | | | | | | |
| " General Charges | | | | 108 | 2 | 2 | (as above Ledger Accounts) — | | | | | | |
| " Repairs and Depreciation | | | | 212 | 5 | 7 | H. Shepherd | 10 | — | — | | | |
| " Int. and Disc't. | | | | 250 | 3 | 7 | G. Elkington | 8 | 2 | 6 | | | |
| " Partnership Salary (Due to G. Elkington) | | | | 100 | — | — | | | | | 18 | 2 | 6 |
| " Int. on Cap. A/cs | | | | | | | | | | | | | |
| H. Shepherd: | | | | | | | | | | | | | |
| (5% of £4,000) | 200 | — | — | | | | | | | | | | |
| G. Elkington | | | | | | | | | | | | | |
| (5% of £1,000) | 50 | — | — | | | | | | | | | | |
| | | | | <u>250</u> | — | — | | | | | | | |
| " Bal.—Net Profit to Capital A/cs | | | | | | | | | | | | | |
| H. Shepherd: | | | | | | | | | | | | | |
| ½ share | 2,989 | 19 | 1 | | | | | | | | | | |
| G. Elkington: | | | | | | | | | | | | | |
| ½ share | 2,989 | 19 | 1 | | | | | | | | | | |
| | | | | <u>5,979</u> | <u>18</u> | <u>2</u> | | | | | | | |
| | | | | <u>£8,107</u> | <u>19</u> | <u>6</u> | | | | | <u>£8,107</u> | <u>19</u> | <u>6</u> |

EXERCISE II—No. 15.

| <i>Dr.</i> | | BAD DEBTS ACCOUNT | | | | | | <i>Cr.</i> | | |
|------------------|-----------------------|-------------------|----|----|------------------|------------------------|----|------------|----|--|
| | | £ | s. | d. | | | £ | s. | d. | |
| (a) 19.. Dec. 31 | To Sundries . . . | 62 | 15 | 10 | (a) 19.. Dec. 31 | By Profit and Loss . . | 62 | 15 | 10 | |
| (b) Dec. 31 | To Sundries . . . | 62 | 15 | 10 | (b) Dec. 31 | By Bad Debts Res. . . | 62 | 15 | 10 | |
| „ 31 | „ Profit and Loss . . | 14 | 14 | 1 | „ 31 | „ „ „ „ . . | 14 | 14 | 1 | |

| <i>Dr.</i> | | BAD DEBTS RESERVE ACCOUNT | | | | | | <i>Cr.</i> | | |
|-------------|------------------------|---------------------------|----|----|----|------------|------------------|------------|----|----|
| 19.. | | £ | s. | | d. | 19.. | | £ | s. | d. |
| (a) Dec. 31 | To Profit and Loss . . | 77 | 9 | 11 | | (a) Dec. 1 | By Balance . . . | 268 | 16 | 7 |
| (b) Dec. 31 | To Bad Debts . . | 62 | 15 | 10 | | (b) Dec. 1 | By Balance . . . | 268 | 16 | 7 |
| " 31 | " " . . | 14 | 14 | 1 | | | | | | |

| Dr. | | PROFIT AND LOSS ACCOUNT | | | | | | | | Cr. | | |
|------|------------------|-------------------------|----|----|----------|---------------------|----|----|----|-----|--|--|
| 19. | | £ | s. | d. | 19. | | £ | s. | d. | | | |
| Dec. | To Bad Debts . . | 62 | 15 | 10 | (a) Dec. | By Bad Debts Res. . | 77 | 9 | 11 | | | |
| 31 | | | | | (b) Dec. | " " " . . | 14 | 14 | 1 | | | |

BALANCE SHEET, 31st December, 19..

| | | ASSETS. | | | | | |
|-----|----------------------------|---------------|----------|-----------|--|--|--|
| | | £ | s. | d. | | | |
| (a) | Sundry Debtors. | 3,826 | 13 | 6 | | | |
| | Less Bad Debts Reserve . . | 191 | 6 | 8 | | | |
| | | <u>£3,635</u> | <u>6</u> | <u>10</u> | | | |
| (b) | As "A" | | | | | | |

EXERCISE II—No. 16.

| <i>Dr.</i> | | BAD DEBTS RESERVE ACCOUNT | | | | | | <i>Cr.</i> | | | | | | | | | | | | | |
|-------------|------------------------|---------------------------|----|---|------------|------------------|----|------------|---|--|------|--|---|--|--|----|--|--|----|--|--|
| 19.. | | £ | | | s. | | | d. | | | 19.. | | £ | | | s. | | | d. | | |
| (a) Dec. 31 | To Profit and Loss . . | 56 | 10 | 6 | (a) Dec. 1 | By Balance . . . | 56 | 10 | 6 | | | | | | | | | | | | |
| (b) Dec. 31 | To Bad Debts . . | 56 | 10 | 6 | (b) Dec. 1 | By Balance . . . | 56 | 10 | 6 | | | | | | | | | | | | |

| <i>Dr.</i> | | BAD DEBTS ACCOUNT | | | | <i>Cr.</i> | | | |
|-------------|----------------------|-------------------|----|----|-------------|---------------------|----|----|---|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. | |
| (b) Dec. 31 | To Profit and Loss . | 56 | 10 | 6 | (b) Dec. 31 | By Bad Debts Res. . | 56 | 10 | 6 |

| Dr. | | PROFIT AND LOSS ACCOUNT | | | | | | Cr. | | | |
|-----|--|-------------------------|--|--|-------------|---------------------|--|-----|----|----|----|
| | | | | | 19.. | | | | £ | s. | d. |
| | | | | | (a) Dec. 31 | By Bad Debts Res. . | | | 56 | 10 | 6 |
| | | | | | (b) Dec. 31 | „ Bad Debts . . | | | 56 | 10 | 6 |

EXERCISE II—No. 16 (*contd.*).

BALANCE SHEET, 31st December, 19..

| | | | | ASSETS. | | | |
|--|--|--|--|---------------------|-------|----|----|
| | | | | (a) Sundry Debtors. | £ | s. | d. |
| | | | | (b) As "A" | 1,026 | 8 | 10 |

EXERCISE II—No. 17.

| Dr. | | DISCOUNTS ALLOWED ACCOUNT | | | | | | Cr. | |
|-------------|--------------------|---------------------------|----|----|-------------|----------------------|-----|------|---|
| 19.. | | £ | | s. | | d. | | 19.. | |
| (a) Dec. 31 | To Sundries . . . | 163 | 17 | 8 | (a) Dec. 31 | By Profit and Loss . | 163 | 17 | 8 |
| (b) Dec. 31 | To Sundries . . . | 163 | 17 | 8 | (b) Dec. 31 | By Disc. Reserve . | 163 | 17 | 8 |
| " 31 | " Discount Reserve | 195 | 5 | 8 | " 31 | " Profit and Loss . | 195 | 5 | 8 |

| Dr. | | DISCOUNT RESERVE ON DEBTORS ACCOUNT | | | | | | | | | | Cr. | | |
|-------------|----------------------|-------------------------------------|----|---|--|--|--|------------|---------------------|-----|----|-----|--|--|
| | | | | | | | | | 19.. | | | | | |
| | | | | | | | | (a) Dec. 1 | By Balance . . . | 175 | 15 | 6 | | |
| | | | | | | | | " 31 | " Profit and Loss . | 31 | 8 | — | | |
| (b) Dec. 31 | To Discts. Allowed . | 163 | 17 | 8 | | | | (b) Dec. 1 | By Balance . . . | 175 | 15 | 6 | | |
| | | | | | | | | " 31 | " Discts. Allowed . | 195 | 5 | 8 | | |

| Dr. | | | | PROFIT AND LOSS ACCOUNT | | | | Cr. | | | |
|-------------|----------------------|-----|----|-------------------------|----|----|--|-----|--|--|--|
| 19.. | | | | £ | s. | d. | | | | | |
| (a) Dec. 31 | To Discts. Allowed . | 163 | 17 | 8 | | | | | | | |
| " 31 | " Discount Reserve | 31 | 8 | — | | | | | | | |
| (b) Dec. 31 | To Discts. Allowed . | 195 | 5 | 8 | | | | | | | |

BALANCE SHEET, 31st December, 19..

| | | | | ASSETS. | | | |
|--|--|--|--|------------------------------|--------|----|----|
| | | | | (a) Sundry Debtors | £ | s. | d. |
| | | | | Less Bad Debts Res. £218/1/7 | 4,361 | 10 | 11 |
| | | | | " Discount Res. £207/3/6 | 425 | 5 | 1 |
| | | | | | £3,936 | 5 | 10 |
| | | | | (b) As "A" | | | |

EXERCISE II—No. 18.

| Dr. | | DISCOUNTS RECEIVED ACCOUNT | | | | | | | | Cr. | | |
|-------------|----------------------|----------------------------|----|----|----|----|--|-------------|--------------------|-----|----|----|
| 19.. | | | | £ | s. | d. | | 19.. | | | | |
| (a) Dec. 31 | To Profit and Loss . | 110 | 16 | 6 | | | | (a) Dec. 31 | By Sundries . . . | 110 | 16 | 6 |
| (b) Dec. 31 | To Discount Reserve | 110 | 16 | 6 | | | | (b) Dec. 31 | By Sundries . . . | 110 | 16 | 6 |
| " 31 | " Profit and Loss . | 113 | 19 | 11 | | | | " 31 | " Discount Reserve | 113 | 19 | 11 |

| Dr. | | DISCOUNT RESERVE ON CREDITORS | | | | | | Cr. | | | |
|------------|----------------------|-------------------------------|-----|----|----|-------------|------|-----------------------|-----|----|---|
| 19.. | | | | £ | s. | d. | 19.. | | | | |
| (a) Dec. 1 | To Balance . . . | 120 | 10 | 6 | | | | | | | |
| " 31 | " Profit and Loss . | 3 | 3 | 5 | | | | | | | |
| (b) Dec. 1 | | To Balance . . . | 120 | 10 | 6 | (b) Dec. 31 | | By Discts. Received . | 110 | 16 | 6 |
| " 31 | " Discts. Received . | | 113 | 19 | 11 | | | | | | |

EXERCISE II—No. 18 (*contd.*).

| <i>Dr.</i> | | PROFIT AND LOSS ACCOUNT | | | | <i>Cr.</i> | | |
|------------|--|-------------------------|--|--|-------------|-----------------------|-----|-------|
| | | | | | 19.. | | | |
| | | | | | (a) Dec. 31 | By Discts. Received . | £ | s. d. |
| | | | | | " 31 | " Discount Reserve | 110 | 16 6 |
| | | | | | (b) Dec. 31 | By Discts. Received . | 3 | 3 5 |
| | | | | | | | 113 | 19 11 |

BALANCE SHEET, 31st December, 19..

| | | LIABILITIES. | | | | | |
|-----|-----------------------------|--------------|----|----|--|--|--|
| (a) | Sundry Creditors | £ | s. | d. | | | |
| | Less Discount Reserve . . . | 4,947 | 17 | 5 | | | |
| | | 123 | 13 | 11 | | | |
| | | £4,824 | 3 | 6 | | | |
| (b) | As "A" | | | | | | |

EXERCISE II—No. 19.

| <i>Dr.</i> | | DISCOUNTS RECEIVED ACCOUNT | | | | <i>Cr.</i> | | |
|-------------|----------------------|----------------------------|----|----|-------------|--------------------|-----|-------|
| 19.. | | | | | 19.. | | | |
| (a) Dec. 31 | To Profit and Loss . | £ | s. | d. | (a) Dec. 31 | By Sundries . . . | £ | s. d. |
| | | 187 | 16 | 5 | | | 187 | 16 5 |
| (b) Dec. 31 | To Discount Reserve | 187 | 16 | 5 | (b) Dec. 31 | By Sundries . . . | 187 | 16 5 |
| " 31 | " Profit and Loss . | 192 | 16 | 2 | " 31 | " Discount Reserve | 192 | 16 2 |

| <i>Dr.</i> | | DISCOUNT RESERVE ON CREDITORS | | | | <i>Cr.</i> | | |
|-------------|----------------------|-------------------------------|----|----|-------------|-----------------------|-----|-------|
| 19.. | | | | | 19.. | | | |
| (a) Dec. 1 | To Balance . . . | £ | s. | d. | | | £ | s. d. |
| " 31 | " Profit and Loss . | 160 | 13 | 6 | | | | |
| | | 4 | 19 | 9 | | | | |
| (b) Dec. 31 | To Balance . . . | 160 | 13 | 6 | (b) Dec. 31 | By Discts. Received . | 187 | 16 5 |
| " 31 | " Discts. Received . | 192 | 16 | 2 | | | | |

| <i>Dr.</i> | | PROFIT AND LOSS ACCOUNT | | | | <i>Cr.</i> | | |
|------------|--|-------------------------|--|--|-------------|-----------------------|-----|-------|
| | | | | | 19.. | | | |
| | | | | | (a) Dec. 31 | By Discts. Received . | £ | s. d. |
| | | | | | " 31 | " Discount Reserve | 187 | 16 5 |
| | | | | | (b) Dec. 31 | By Discts. Received . | 4 | 19 9 |
| | | | | | | | 192 | 16 2 |

BALANCE SHEET, 31st December, 19..

| | | LIABILITIES. | | | | | |
|--|-----------------------------|--------------|----|----|--|--|--|
| | Sundry Creditors | £ | s. | d. | | | |
| | Less Discount Reserve . . . | 6,626 | 10 | 11 | | | |
| | | 165 | 13 | 3 | | | |
| | | £6,460 | 17 | 8 | | | |

EXERCISE II—No. 20.

| Dr. | | BAD DEBTS ACCOUNT | | | | Cr. | | | |
|---------|---------------------|-------------------|----|----|---------|------------------------|-------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 31 | To Sundries | 1,000 | — | — | Dec. 31 | By Profit and Loss . . | 1,000 | — | — |
| 19.. | | | | | 19.. | | | | |
| Dec. 31 | To Sundries | 1,100 | — | — | Dec. 31 | By Profit and Loss . . | 1,100 | — | — |

| Dr. | | BAD DEBTS RESERVE | | | | Cr. | | | |
|---------|------------------------|-------------------|----|----|---------|-----------------------|--------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 31 | To Balance c/d . . . | 1,125 | — | — | Jan. 1 | By Balance | 860 | — | — |
| | | | | | Dec. 31 | „ Profit and Loss . . | 265 | — | — |
| | | £1,125 | — | — | | | £1,125 | — | — |
| 19.. | | | | | 19.. | | | | |
| Dec. 31 | To Profit and Loss . . | 174 | 9 | — | Jan. 1 | By Balance b/d . . . | 1,125 | — | — |
| „ 31 | „ Balance c/d . . . | 950 | 11 | — | | | £1 125 | — | — |
| | | £1,125 | — | — | Dec. 31 | By Balance b/d . . . | 950 | 11 | — |

| Dr. | | PROFIT AND LOSS ACCOUNT | | | | Cr. | | |
|---------|--|-------------------------|----|----|---------|---|-----|----|
| | | £ | s. | d. | | £ | s. | d. |
| 19.. | | | | | | | | |
| Dec. 31 | To Bad Debts | 1,000 | — | — | | | | |
| " 31 | " Bad Debts Reserve . | 265 | — | — | | | | |
| | (Additional amount to raise reserve to 7½% of £15,000) | | | | | | | |
| | | £1 265 | — | — | | | | |
| 19.. | | | | | 19.. | | | |
| Dec. 31 | To Bad Debts | 1,100 | — | — | Dec. 31 | By Bad Debts Reserve . | 174 | 9 |
| | | | | | | (Amount credited to reduce reserve to 7½% of £12,674) | | |
| | | | | | | | | |

EXERCISE II—No. 21.

JOHN COMBINE
TRADING ACCOUNT

| <i>Dr.</i> | | FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | <i>Cr.</i> | |
|-------------------------|-----------------|--|----|--------------------------------|-----------------|------------|----|
| | £ | s. | d. | | £ | s. | d. |
| To Stock, 1st Jan. . . | 9,600 | — | — | By Sales (<i>less</i> Returns | | | |
| „ Purchases | 12,000 | — | — | Inwards £100) . | 24,900 | — | — |
| „ Railway Charges . . | 500 | — | — | „ Stock, 31st Dec. . | 3,500 | — | — |
| „ Wages | 3,200 | — | — | | | | |
| „ Balance, Gross Profit | 3,100 | — | — | | | | |
| | <u>£ 28,400</u> | — | — | | <u>£ 28,400</u> | — | — |

EXERCISE II—No. 22.

MESSRS. BLACK & WHITE

TRADING AND PROFIT AND LOSS ACCOUNT

Dr.

FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | £ | s. | d. | | £ | s. | d. | £ | s. | d. |
|------------------------|-------|----|----|--------|----|----|--------------------|---|----|----|--------|----|----|
| To Stock, 1st Jan. . . | | | | 3,000 | | | By Sales | | | | 24,800 | | |
| „ Purchases. | | | | 16,430 | | | „ Stock, 31st Dec. | | | | 3,225 | | |
| „ Wages(manufactg.) | | | | 2,150 | | | | | | | | | |
| „ Bal., Gross Profit | | | | 6,425 | | | | | | | | | |
| | | | | 28,025 | | | | | | | 28,025 | | |
| To Salaries | | | | 820 | | | By Trading Account | | | | | | |
| „ Rates and Taxes. | | | | 325 | | | Gross Profit . . . | | | | 6,425 | | |
| „ Trade Charges . . | | | | 400 | | | | | | | | | |
| „ Bad Debts Res. | | | | | | | | | | | | | |
| (5% of £13,100). | 655 | | | | | | | | | | | | |
| Less Old Res. . . | 600 | | | | | | | | | | | | |
| | | | | 55 | | | | | | | | | |
| „ Int. on Loan A/c | | | | 225 | | | | | | | | | |
| (4½% of £5,000) | | | | | | | | | | | | | |
| „ Depreciation— | | | | | | | | | | | | | |
| Plant & Mchnry. | | | | 200 | | | | | | | | | |
| (5% of £4,000). | | | | | | | | | | | | | |
| „ Lease (¼ of £2,400 | | | | 400 | | | | | | | | | |
| written off) . . . | | | | | | | | | | | | | |
| „ Int. on Cap. A/cs | | | | | | | | | | | | | |
| Black | | | | | | | | | | | | | |
| (5% of £5,000) | 250 | | | | | | | | | | | | |
| White | | | | | | | | | | | | | |
| (5% of £2,000) | 100 | | | 350 | | | | | | | | | |
| „ Bal.—Net Profit | | | | | | | | | | | | | |
| to Capital A/cs | | | | | | | | | | | | | |
| Black, ¼ share. | 1,825 | | | | | | | | | | | | |
| White, ¼ share. | 1,825 | | | | | | | | | | | | |
| | | | | 3,650 | | | | | | | | | |
| | | | | £6,425 | | | | | | | £6,425 | | |

MESSRS. BLACK & WHITE

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | £ | s. | d. | £ | s. | d. | ASSETS. | £ | s. | d. | £ | s. | d. |
|----------------------|-------|----|----|---------|----|----|-------------------|--------|----|----|---------|----|----|
| Loan Account . . . | | | | 5,225 | | | Bank | | | | 1,200 | | |
| Sundry Creditors . . | | | | 15,345 | | | Sundry Debtors. . | 13,100 | | | | | |
| Capital Accounts— | | | | | | | Less Bad Debts | | | | | | |
| Black: | | | | | | | Reserve. | 655 | | | | | |
| Bal., 1st Jan. . . . | 5,000 | | | | | | | | | | 12,445 | | |
| Add Interest . . . | 250 | | | | | | Stock | | | | 3,225 | | |
| Sh. of Profit . . . | 1,825 | | | | | | Plant | 4,000 | | | | | |
| | 7,075 | | | | | | Less Depreciation | 200 | | | 3,800 | | |
| Less Drawings . . . | 550 | | | 6,525 | | | Premium on Lease | 2,400 | | | | | |
| | | | | | | | Less annual amt. | 400 | | | 2,000 | | |
| White: | | | | | | | written off . . . | | | | | | |
| Bal., 1st Jan. . . . | 2,000 | | | | | | Freehold Land and | | | | 8,000 | | |
| Add Interest . . . | 100 | | | | | | Buildings | | | | | | |
| Sh. of Profit . . . | 1,825 | | | | | | | | | | | | |
| | 3,925 | | | | | | | | | | | | |
| Less Drawings . . . | 350 | | | 3,575 | | | | | | | | | |
| | | | | | | | | | | | | | |
| | | | | £30,670 | | | | | | | £30,670 | | |

EXERCISE II—No. 23.

See *Advanced Accounts*, page 981 (under appropriate heading).

EXERCISE II—No. 24.

MESSRS. SLANDER & BACKBITE

TRADING ACCOUNT

| <i>Dr.</i> FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | | | <i>Cr.</i> | | | |
|---|-------|----|----|----------|----|------------|----------------------|----------|-------|
| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| To Stock, 1st Jan. . . | | | | 342 | — | — | By Sales and Sub- | | |
| <i>Purchases—</i> | | | | | | | scriptions | | |
| Paper . . . | 2,220 | — | — | | | | (Newspr. Dept.) | 4,852 | — |
| Ink . . . | 88 | — | — | | | | „ Sales (Job. Dept.) | 848 | — |
| | | | | 2,308 | — | — | | | 5,700 |
| „ Lit. Contributions | | | | 898 | — | — | „ Advertisements | | |
| „ Reporters' Salaries | | | | 798 | — | — | (Receipts). | 6,290 | — |
| „ Comps' Wages . . | | | | 2,035 | — | — | Less amt. paid | | |
| „ Machine & Engine- | | | | | | | in advance . . | 750 | — |
| room Expenses . | | | | 242 | — | — | | | 5,540 |
| „ Carriage . . . | | | | 284 | — | — | „ Stock, 31st Dec. | | 381 |
| „ Bal.—Gross Profit | | | | 4,734 | — | — | | | |
| | | | | £ 11,621 | — | — | | £ 11,621 | — |

MESSRS. SLANDER & BACKBITE

PROFIT AND LOSS ACCOUNT

| <i>Dr.</i> FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | | | <i>Cr.</i> | | | |
|---|-----|----|----|--------|----|------------|--------------------|--------|-------|
| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| To Office Salaries . . | | | | 748 | — | — | By Trading Account | | |
| „ Rates, Taxes & Gas | | | | 50 | — | — | Gross Profit . . | | 4,734 |
| „ Insurance . . . | | | | 34 | — | — | „ Bad Debts Res., | | |
| „ Postages . . . | | | | 182 | — | — | 1st Jan. . . | 430 | — |
| „ Exps. of Bch. Office | | | | 129 | — | — | Less New Pro- | | |
| „ Audit Fee . . . | | | | 52 | — | — | vision (5% of | | |
| „ Stable Expenses . . | | | | 121 | — | — | £8,440) . . . | 422 | — |
| „ Law Charges . . . | | | | 124 | — | — | | | 8 |
| „ Commissions . . . | | | | 152 | — | — | | | |
| „ Bank Interest . . | | | | 37 | 10 | — | | | |
| „ Trade and Inci- | | | | | | | | | |
| dental Exps. . . | | | | 82 | — | — | | | |
| „ Bad Debts . . . | | | | 142 | — | — | | | |
| „ Depreciation— | | | | | | | | | |
| Plant | | | | | | | | | |
| (10% of £4,400). | 440 | — | — | | | | | | |
| Type | 580 | — | — | | | | | | |
| Horses & Carts | | | | | | | | | |
| (10% of £194) . | 19 | 8 | — | 1,039 | 8 | — | | | |
| „ Bal.—Net Profit | | | | | | | | | |
| to Capital A/cs | | | | | | | | | |
| (½ of £1,849/2/- | | | | | | | | | |
| to each partner) | | | | 1,849 | 2 | — | | | |
| | | | | £4,742 | — | — | | £4,742 | — |

EXERCISE II—No. 24 (*contd.*).MESSRS. SLANDER & BACKBITE
BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES | | | | | | ASSETS | | | | | |
|---------------------------------|--------|-------|--------|-------|---------------------------|--------|---|-------|--------|-------|--|
| | £ | s. d. | £ | s. d. | | | £ | s. d. | £ | s. d. | |
| Bank Overdraft . . . | 1,500 | — | | | Cash | | | | 457 | — | |
| <i>Add</i> Int. accrued . . | 37 | 10 | | | Sundry Debtors . . | 8,440 | — | | | | |
| | | | 1,537 | 10 | <i>Less</i> Bad Debts . . | | | | | | |
| Sundry Creditors . . . | | | 862 | — | Reserve | 422 | — | | 8,018 | — | |
| <i>Add</i> Int. paid in advance | | | 750 | — | | | | | 381 | — | |
| <i>Capital Accounts—</i> | | | | | Stock | 4,400 | — | | | | |
| <i>S. Slander:</i> | | | | | Plant & Machinery . | 440 | — | | | | |
| <i>Bal., 1st Jan.</i> . . . | 9,864 | — | | | <i>Less</i> Depreciation | | | | 3,960 | — | |
| <i>Add</i> Sh. of Profit . | 924 | 11 | | | Type | 2,900 | — | | | | |
| | | | | | <i>Less</i> Depreciation | 580 | — | | 2,320 | — | |
| <i>Less</i> Drawings . . . | 10,788 | 11 | | | Horses and Carts . . | 194 | — | | | | |
| | 1,040 | — | 9,748 | 11 | <i>Less</i> Depreciation | 19 | 8 | | 174 | 12 | |
| B. Backbite: | | | | | Freehold Works . . | 4,950 | — | | | | |
| <i>Bal., 1st Jan.</i> . . . | 7,540 | — | | | <i>Add</i> Extensions | | | | | | |
| <i>Add</i> Sh. Profit . . . | 924 | 11 | | | during year . . | 150 | — | | 5,100 | — | |
| | 8,464 | 11 | | | | | | | | | |
| <i>Less</i> Drawings . . . | 952 | — | | | | | | | | | |
| | | | 7,512 | 11 | | | | | | | |
| | | | £ | | | | | | £ | | |
| | | | 20,410 | 12 | | | | | 20,410 | 12 | |

EXERCISE II—No. 25.

JOURNAL OF W. JONES & CO.
JOURNAL ENTRIES FOR ADJUSTMENTS

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|--------------------------------------|------|----|----|------|----|----|
| (a) | Machinery and Plant A/c | 450 | — | — | | | |
| | To Purchases A/c | | | | 450 | — | — |
| (b) | G. Smith | 15 | 12 | 8 | | | |
| | To Bad Debts Recovered A/c | | | | 15 | 12 | 8 |
| (c) | B. Brown | 10 | 4 | 8 | | | |
| | To Allowances A/c | | | | 10 | 4 | 8 |
| (d) | Returns Inwards A/c | 52 | 1 | 4 | | | |
| | To R. Robinson | | | | 52 | 1 | 4 |
| | | £527 | 18 | 8 | £527 | 18 | 8 |

EXERCISE II—No. 25 (contd.).

STATEMENT OF ADJUSTED PROFIT

| | | Dr. | | | Cr. | | |
|------|---------------------------------------|-----|----|----|--------|----|----|
| | | £ | s. | d. | £ | s. | d. |
| 19.. | Balance as per Profit and Loss A/c . | | | | 2,481 | 6 | 4 |
| | (a) Reduction of Purchases . | | | | 450 | — | — |
| | (b) Recovery of amount previously W/o | | | | 15 | 12 | 8 |
| | (c) Reduction of Allowances . | | | | 10 | 4 | 8 |
| | (d) Adjustment of Sales to NET amount | 52 | 1 | 4 | | | |
| | Total CREDIT of Profit & Loss A/c. | | | | 2,957 | 3 | 8 |
| | Less DEBIT item of P. and L. A/c. | | | | 52 | 1 | 4 |
| | Actual Profit for year . | | | | £2,905 | 2 | 4 |

EXERCISE II—No. 26.

| Dr. | | PUBLICATION OF BOOKS ACCOUNT | | | | Cr. | | |
|--------|-------------------------|------------------------------|----|----|--------|-------------------------|-----|----|
| | | £ | s. | d. | | £ | s. | d. |
| Year 1 | To Paper . . . | 70 | — | — | Year 1 | By Sales, i.e. . . . | 500 | — |
| | „ Printing . . . | 100 | — | — | | (2,000 Copies @ 5/-ea.) | 90 | — |
| | „ Binding . . . | 100 | — | — | | „ Stock at Cost . . . | | — |
| | „ Royalties . . . | 100 | — | — | | (900 × 300) | | — |
| | „ Advertising . . . | 30 | — | — | | 3,000 | | — |
| | „ Profit on Sales . . . | 190 | — | — | | | | — |
| | | £590 | — | — | | £590 | — | — |
| Year 2 | To Stock (at Cost). . . | 90 | — | — | Year 2 | By Sales, i.e. . . . | 225 | — |
| | „ Royalties . . . | 45 | — | — | | (900 Copies @ 5/-ea.) | | — |
| | „ Profit on Sales . . . | 90 | — | — | | | | — |
| | | £225 | — | — | | £225 | — | — |

| Dr. | | AUTHOR'S ACCOUNT | | | | Cr. | | |
|-----|--|------------------|----|----|--------|--------------------|-----|----|
| | | £ | s. | d. | | £ | s. | d. |
| | | | | | Year 1 | By Royalties . . . | 100 | — |
| | | | | | Year 2 | By Royalties . . . | 45 | — |

| Dr. | | ROYALTIES ACCOUNT | | | | Cr. | | |
|--------|-----------------|-------------------|----|----|--------|-------------------------|-----|----|
| | | £ | s. | d. | | £ | s. | d. |
| Year 1 | To Author . . . | 100 | — | — | Year 1 | By Publication of Books | 100 | — |
| Year 2 | To Author . . . | 45 | — | — | Year 2 | By Publication of Books | 45 | — |

H. FRANCIS

| | Dr. | TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | | | | | Cr. |
|---------------------------------------|--------|--|----|----------|----|----|---------------------------------|----------|----|-----|
| | £ | s. | d. | £ | s. | d. | By Sales | £ | s. | d. |
| To Stock, 1st Jan. | | | | 4,017 | 2 | 1 | . | | | |
| " " Purchases | 13,271 | 14 | 8 | | | | Less Returns Inwards . | 18,767 | 1 | 1 |
| Less Returns Outwards . | 97 | 7 | | | | | . | 124 | 14 | 11 |
| " Carriage | | | | 13,174 | 7 | 1 | . | | | |
| " Manufacturing Wages | | | | 345 | 1 | 7 | . | | | |
| " Manufacturing Expenses | | | | 3,124 | 17 | 2 | . | | | |
| " Balance, Gross Profit c/d | | | | 271 | 12 | 1 | . | | | |
| | | | | 2,004 | - | 10 | . | | | |
| | | | | £ 22,937 | - | 10 | | | | |
| | | | | | | | " Stock, 31st Dec. | | | |
| | | | | | | | " Stock to Stationery | 18,642 | 6 | 2 |
| | | | | | | | | 4,247 | 6 | 6 |
| | | | | | | | | 47 | 8 | 2 |
| | | | | | | | | £ 22,937 | - | 10 |

EXERCISE II—No. 27 (*contd.*).

H. FRANCIS

BALANCE SHEET AS AT 31ST DECEMBER, 19..

[illegible]

EXERCISE II—No. 28.

RENT AND RATES ACCOUNT OF RILEY BROS.

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|------------|---------------------------|------|-------|------------|--------------------------|------|-------|
| 1936 | | | | 1936 | | | |
| Jan. 1 | Rates prepaid . . . | £ | s. d. | Jan. 1 | Rent outstanding . . . | £ | s. d. |
| " 4 | Rent for Christmas . . . | 90 | - - | Dec. 31 | Balance to P. and L. A/c | 90 | - - |
| Mar. 29 | Rent for Lady Day . . . | 90 | - - | | | 513 | 7 4 |
| June 26 | Rates to 30th Sept. . . | 74 | 14 8 | | | | |
| July 7 | Rent for Midsummer . . . | 90 | - - | | | | |
| Sept. 30 | Rent for Michaelmas . . . | 90 | - - | | | | |
| Dec. 28 | Rent for Christmas . . . | 90 | - - | | | | |
| " 31 | Rates owing c/d . . . | 40 | 8 11 | | | | |
| | | £603 | 7 4 | | | £603 | 7 4 |
| | | | | | | | |
| | | | | 1937 | | | |
| | | | | Jan. 1 | Rates owing b/d . . . | 40 | 8 11 |

EXERCISE II—No. 29.

RENT AND RATES ACCOUNT OF A LIMITED CO.

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|------------|---------------------|--------|-------|------------|--------------------------|--------|-------|
| 1933 | | | | 1933 | | | |
| July 1 | Rates prepaid . . . | £ | s. d. | June 30 | Rate. prepaid . . . | £ | s. d. |
| Sept. 30 | Rent . . . | 500 | - - | " 30 | Balance to P. and L. A/c | 305 | - - |
| Dec. 31 | Rent . . . | 500 | - - | | | 3,190 | - - |
| 1934 | | | | | | | |
| Mar. 31 | Rates . . . | 590 | - - | | | | |
| " 31 | Rent . . . | 500 | - - | | | | |
| June 30 | Rent . . . | 500 | - - | | | | |
| " 30 | Rates . . . | 610 | - - | | | | |
| | | £3,495 | - - | | | £3,495 | - - |

Note. The quarter's Rent to June, 1933, does not apply to the year under review. Although paid on 10th July, that amount is debited to Landlord's Account; the Rent Account, including the June quarter, will have been transferred to Profit and Loss Account for the year ended June, 1933.

EXERCISE II—No. 30. JAMES THOMPSON

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE HALF-YEAR ENDED 30TH JUNE, 19

| | £ | s. | d. | | £ | s. | d. | | £ | s. | d. |
|---|---|----|----|--|---------------|----|----|---|----------|----|----|
| To Stock, 1st Jan. . . | | | | | 4,850 | - | | By Sales . | 36,700 | - | |
| " Wages. | | | | | 12,684 | - | | Less Allowances | | | |
| " Royalty | | | | | 5,000 | - | | and Returns . | 500 | - | |
| " Coals | | | | | 1,260 | - | | | | | |
| " Candles and Oil . | | | | | 390 | - | | " Stock, 30th June | | | |
| " Powder | | | | | 372 | - | | | | | |
| " Ropes | | | | | 53 | - | | | | | |
| " Timber | | | | | 1,280 | - | | | | | |
| " Bal., Gross Profit | | | | | <u>15,311</u> | - | | | | | |
| | | | | | | | | | | | |
| | | | | | 41,200 | - | | | | | |
| | | | | | <u>41,200</u> | - | | | | | |
| To Carr'ge & Freight's | | | | | 913 | - | | By Trading Account | | | |
| " Salaries | | | | | 939 | - | | Gross Profit . | | | |
| " Rents, Rates, and | | | | | | | | " Disc'ts. received . | 15,311 | - | |
| Taxes | | | | | 2,330 | - | | " Discount Reserve | 75 | - | |
| " Repairs | | | | | 360 | - | | on Creditors . | | | |
| " Bank Charges . . . | | | | | 200 | - | | ($\frac{2\frac{1}{2}}{100}$ % of £8,000) | 200 | - | |
| " Discts. allowed . . | | | | | 850 | - | | | | | |
| " Damages for | | | | | | | | | | | |
| Breach of Ctrot. | | | | | 100 | - | | | | | |
| " Reserve for Bad | | | | | | | | | | | |
| Debts (amount | | | | | | | | | | | |
| provided) | | | | | 445 | - | | | | | |
| " Discount Reserve | | | | | | | | | | | |
| on Debtors | | | | | | | | | | | |
| ($\frac{2\frac{1}{2}}{100}$ % of £6,300— | | | | | 146 | 7 | 6 | | | | |
| £445) | | | | | | | | | | | |
| " Depreciation— | | | | | | | | | | | |
| Plant and Mch'y. | | | | | 88 | 1 | - | | | | |
| (5% of £3,522 | | | | | | | | | | | |
| for 6 months) . . . | | | | | 550 | - | | | | | |
| " Lease (proportion | | | | | | | | | | | |
| written off to ex- | | | | | 8,664 | 11 | 6 | | | | |
| tinguish in 15yr.) | | | | | | | | | | | |
| " Bal.—Net Profit | | | | | <u>15,586</u> | - | | | | | |
| to Capital A/c. | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | £ 15,586 | - | | | £ 15,586 | - | |

JAMES THOMPSON

BALANCE SHEET AS AT 30TH JUNE, 19..

[illegible]

EXERCISE III—No. 1.

JOURNAL OF A, B, and C

| | | £ | s. | d. | £ | s. | d. |
|-----|--|-------|----|----|-----|----|----|
| (a) | Depreciation <i>Dr.</i> | 37 | 10 | — | | | |
| | To Shop Fittings, etc. | | | | 37 | 10 | — |
| (b) | A's Current Account <i>Dr.</i> | 3 | 10 | — | | | |
| | To Wages Account | | | | 3 | 10 | — |
| (c) | Advertising <i>Dr.</i> | 42 | — | — | | | |
| | To Stock Account | | | | 42 | — | — |
| (d) | Interest Account <i>Dr.</i> | 1,000 | — | — | | | |
| | To A's Capital Account | | | | 450 | — | — |
| | „ B's Capital Account | | | | 350 | — | — |
| | „ C's Capital Account | | | | 200 | — | — |

EXERCISE III—No. 2.

| <i>Dr.</i> | | DISCOUNTS RECEIVED ACCOUNT | | | | <i>Cr.</i> | |
|-------------|-------------------------------|----------------------------|----|----|-------------|------------------------------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. |
| (a) Dec. 31 | To Profit and Loss | 57 | 12 | 2 | (a) Dec. 31 | By Sundries | 57 |
| (b) Dec. 31 | To Discount Reserve | 57 | 12 | 2 | (b) Dec. 31 | By Sundries | 57 |
| „ 31 | „ Profit and Loss | 33 | 12 | 10 | „ 31 | „ Discount Reserve | 33 |

| <i>Dr.</i> | | DISCOUNT RESERVE ON CREDITORS | | | | <i>Cr.</i> | |
|-------------|------------------------------|-------------------------------|----|----|-------------|-------------------------------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. |
| (a) Dec. 1 | To Balance | 157 | 9 | 9 | (a) Dec. 31 | By Profit and Loss | 23 |
| (b) Dec. 31 | To Balance | 157 | 9 | 9 | (b) Dec. 31 | By Discts. Received | 57 |
| „ 31 | „ Discts. Received | 33 | 12 | 10 | | | |

| <i>Dr.</i> | | PROFIT AND LOSS ACCOUNT | | | | <i>Cr.</i> | |
|-------------|-------------------------------|-------------------------|----|----|-------------|-------------------------------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. |
| (a) Dec. 31 | To Discount Reserve | 23 | 19 | 4 | (a) Dec. 31 | By Discts. Received | 57 |
| | | | | | (b) Dec. 31 | „ „ „ | 33 |

BALANCE SHEET, 31st December, 19..

| LIABILITIES. | | £ | s. | d. | | |
|---------------------------------|--|--------|----|----|--|--|
| Sundry Creditors | | 5,340 | 18 | 10 | | |
| Less Discount Reserve | | 133 | 10 | 5 | | |
| | | £5,207 | 8 | 5 | | |

EXERCISE III—No. 3.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|-----|------------------------------|---|----|----|---|----|----|
| (a) | Discount Account Dr. | 1 | 5 | 3 | | | |
| | To Suspense Account | | | | 1 | 5 | 3 |
| (b) | Suspense Account Dr. | 9 | — | — | | | |
| | To Wages | | | | 9 | — | — |
| (c) | Suspense Account Dr. | 4 | 15 | — | | | |
| | To Sundry Creditors | | | | 4 | 15 | — |
| (d) | Sales Account Dr. | 1 | — | — | | | |
| | To Suspense Account | | | | 1 | — | — |

EXERCISE III—No. 4.

| Dr. | | SUSPENSE ACCOUNT | | | Cr. | | | | |
|------|--------------------------|------------------|----|----|------|----------------------------|-----|----|----|
| 19.. | To Balance | £ | s. | d. | 19.. | By Discount | £ | s. | d. |
| | " Sales | 77 | 8 | — | | " Customer | 3 | 6 | 4 |
| | " Cash Purchases | 9 | — | — | | " General Expenses | 80 | — | — |
| | | 1 | 18 | 4 | | | 5 | — | — |
| | | £88 | 6 | 4 | | | £88 | 6 | 4 |

EXERCISE III—No. 5.

BALANCE SHEET OF CHAS. CANTAU

| LIABILITIES | | £ | s. | d. | ASSETS | | £ | s. | d. |
|----------------------------|------|--------|----|----|---------------------------|------|--------|----|----|
| Bank Overdraft | | 146 | — | — | Cash in hand | | 147 | — | — |
| Loan Account | | 2,000 | — | — | Stock | | 617 | — | — |
| Sundry Creditors | | 4,600 | — | — | Sundry Debtors | | 3,437 | — | — |
| Capital Account | | 1,000 | — | — | Furniture, etc. | £780 | | | |
| Balance, 1st Jan. | £513 | | | | Less Depreciation | 78 | | | |
| Add Profit | 156 | | | | Freehold Premises | | 702 | — | — |
| | £669 | | | | | | 3,000 | — | — |
| Less Drawings | 512 | | | | | | | | |
| | | 157 | — | — | | | | | |
| | | £7,903 | — | — | | | £7,903 | — | — |

EXERCISE III—No. 6.

JOURNAL
ADJUSTMENT ENTRIES

| | | £ | s. | d. | £ | s. | d. |
|-----|--|-----|----|----|--------|----|----|
| (1) | H. Carver <i>Dr.</i> | 22 | 15 | — | | | |
| | To Suspense Account | | | | 22 | 15 | — |
| (2) | Plant and Machinery <i>Dr.</i> | 350 | — | — | | | |
| | To Purchases Account | | | | 350 | — | — |
| (3) | Suspense Account <i>Dr.</i> | 91 | — | — | | | |
| | To Returns Inward | | | | 91 | — | — |
| (4) | Sales Account <i>Dr.</i> | 68 | 5 | — | | | |
| | To Suspense Account | | | | 68 | 5 | — |
| | Net Profit | | | | 3,553 | 17 | 1 |
| | Add Purchases wrongly charged | 350 | — | — | | | |
| | „ Returns Inward Over-cast | 91 | — | — | | | |
| | | 441 | — | — | | | |
| | Less Sales Over-cast | 68 | 5 | — | | | |
| | | | | | 372 | 15 | — |
| | Adjusted NET Profit | | | | £3,926 | 12 | 1 |

EXERCISE III—No. 7.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|--|--|-----|----|----|-----|----|----|
| | Bad Debts Reserve <i>Dr.</i> | 92 | 7 | 6 | | | |
| | To Bad Debts | | | | 92 | 7 | 6 |
| | Sundry Creditors <i>Dr.</i> | 8 | 15 | — | | | |
| | To Bad Debts Reserve | | | | 8 | 15 | — |
| | Profit and Loss Account <i>Dr.</i> | 108 | 12 | 6 | | | |
| | To Bad Debts Reserve | | | | 108 | 12 | 6 |

Dr. BAD DEBTS RESERVE ACCOUNT

Cr.

| | | | | | | | |
|-------------------------|------|----|----|------------------------------|------|----|----|
| To Bad Debts | £ | s. | d. | By Balance | £ | s. | d. |
| „ Balance c/d | 92 | 7 | 6 | „ Sundry Creditors | 75 | — | — |
| | 100 | — | — | „ Profit and Loss | 8 | 15 | — |
| | | | | | 108 | 12 | 6 |
| | £192 | 7 | 6 | | £192 | 7 | 6 |

EXERCISE III—No. 8.

| | £ | s. | d. | £ | s. | d. |
|--|-----|----|----|-----|----|----|
| Difference in totals of Trial Balance as stated | 38 | 9 | 3 | | | |
| (a) Amount omitted from list of credit balances in the Bought Ledger | | | | 5 | 9 | 6 |
| (b) Amount required to be debited to Debtor to correct posting of £3 15s. cash received as £5 13s. | 1 | 18 | — | | | |
| (c) Allowance debited to creditor and not entered elsewhere required to be credited to Returns Outwards through Returns Outwards Book | | | | | 19 | 9 |
| (d) Amount required to be credited to Discounts Received to compensate for £17 4s. posted to debit of that account instead of the credit | | | | 34 | 8 | — |
| | £40 | 7 | 3 | 40 | 17 | 3 |
| Difference still remaining | | 10 | — | | | |
| | £40 | 17 | 3 | £40 | 17 | 3 |

EXERCISE III—No. 9.

$$\begin{aligned}
 \text{Percentage of } \left\{ \begin{array}{l}
 (a) \text{ Gross Profit on Sales} = \frac{1,700 \times 100}{5,100} = 33\frac{1}{3}\%. \\
 (b) \text{ Gross Profit on Cost of Goods Sold} = \frac{1,700 \times 100}{3,400} = 50\%. \\
 (c) \text{ Net Profit on Sales} = \frac{1,020 \times 100}{5,100} = 20\%. \\
 (d) \text{ Expenses on Cost of Goods Sold} = \frac{680 \times 100}{3,400} = 20\%.
 \end{array} \right.
 \end{aligned}$$

EXERCISE III—No. 10.

The books used in the Counting-house of a City Warehouseman are as follows—

- | | |
|---------------------|--------------------|
| (1) Ledger. | (4) Sales Book. |
| (2) Cash Book. | (5) Bills Books. |
| (3) Purchases Book. | (6) Returns Books. |

The Ledger is of essential importance.

Note.—The Cash Book proper is part of the LEDGER.

EXERCISE III—No. 11.

See *Advanced Accounts*, pages 290 and 291, for example of Cash Book.

EXERCISE III--No. 12.

Dr.

COAL TRADING ACCOUNT

Cr.

| Date. | Particulars. | 1 Ton of 21 Cwts. | Price of per Ton. | 1 Ton of 20 Cwts. | Amount. | Date. | Particulars. | Tons. | @ | Amount. |
|----------------|-------------------------------|-------------------------|----------------------------|-------------------------|-------------|-----------------|--------------------------|-------|---------------|-------------|
| 19.. Jan. 1 | To Stock in hand | | | 250 | £ 193 15 6 | 19.. Jan. 31 | By Sales of Coal (Large) | 4,590 | s. d. 19 6 | £ 4,475 5 - |
| " 2 | " 500 Trucks of 7 tons each | 3,675 | 15 6 | 3,500 | 1,108 6 8 | " 31 | " Sales of Coal (Small) | 410 | 4 - | 82 - |
| " 3 | " Railway Charges on 3,500 t. | | 6 10 | | 1,195 16 8 | | | 5,000 | tons | |
| " 15 | " Cargo (f.o.b. Sunderland) | 1,302 | 7 2 | 1,240 | 444 6 8 | " 31 | " Shrinkage | 227 | " | |
| " 31 | " Freight (London) | | 2 3 | | 315 - - | | | | | |
| " 31 | " Cartage, etc., on 410 tons | | | | 562 10 - | | | | | |
| " 31 | " Balance (gain) | | | | 737 - - | | | | | |
| | (250 + 3675 + 1302 = 5,227) | 5,227 | tons | | £ 4,557 5 - | | | 5,227 | tons | £ 4,557 5 - |

EXERCISE III—No. 13.

MESSRS. A. MACADAM & J. WESTRUM

Dr. TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|--|-------|----|----|----------|----|----|---|----|----|--------|----|----|
| To Stock, 1st Jan. | 9,284 | 1 | 6 | 2,019 | 3 | 7 | By Sales | | | 14,274 | 6 | 6 |
| " Purchases | 870 | 2 | — | 8,413 | 19 | 6 | Less Returns Inwards | | | 370 | 2 | — |
| Less Returns Outwards | | | | 2,001 | 15 | 7 | " Stock, 31st Dec. | | | | | |
| " Wages | | | | 225 | 10 | 4 | | | | | | |
| " Manufacturing Expenses | | | | 3,235 | 3 | — | | | | | | |
| " Balance, Gross Profit c/d | | | | £ 15,895 | 12 | — | | | | | | |
| | | | | | | | By Trading Account | | | 15,895 | 12 | — |
| To General Expenses | 167 | 4 | 9 | 150 | 6 | — | " Discount Account (received) | | | 3,235 | 3 | — |
| " Rates and Taxes | 27 | 1 | 9 | 140 | 3 | — | | | | 29 | 18 | 8 |
| Less Amount carried forward | | | | | | | | | | | | |
| " Insurance | 66 | 9 | 7 | 50 | 1 | 10 | | | | | | |
| Less Amount carried forward | 16 | 7 | 9 | 666 | 8 | — | | | | | | |
| " Salaries | | | | 39 | 4 | 1 | | | | | | |
| " Discount Account (allowed) | 79 | 16 | 9 | | | | | | | | | |
| " Bad Debts Reserve (5% of £1,596/15/-) | 66 | 3 | — | 13 | 13 | 9 | | | | | | |
| Less Old Reserve | | | | | | | | | | | | |
| " Depreciation— | | | | | | | | | | | | |
| Land and Buildings (2½% of £4,960) | 124 | — | — | 227 | 13 | — | | | | | | |
| Plant and Machinery (10% of £1,036/10/-) | 103 | 13 | — | | | | | | | | | |
| " Interest on Capital Accounts— | | | | | | | | | | | | |
| A. Macadam (5% of £6,000) | 300 | — | — | 400 | — | — | | | | | | |
| J. Westrum (5% of £2,000) | 100 | — | — | 300 | — | — | | | | | | |
| " Partnership Salary provided | | | | | | | | | | | | |
| A. Macadam (£ share) | 958 | 4 | — | | | | | | | | | |
| J. Westrum (£ share) | 319 | 8 | — | 1,277 | 12 | — | | | | | | |
| | | | | £3,265 | 1 | 8 | | | | | | |

EXERCISE III—No. 13 (contd.).

MESSRS. A. MACADAM & J. WESTRUM

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | | £ | s. | d. | £ | s. | d. | ASSETS. | | £ | s. | d. | £ | s. | d. |
|---------------------------|---|-------|----|----|--------|----|----|---------------------------|---|-------|----|----|--------|----|----|
| Sundry Creditors . . . | . | . | . | . | 1,362 | 13 | 3 | Cash in hand . . . | . | . | . | . | 719 | 13 | - |
| Capital Accounts— | . | . | . | . | | | | Cash at Bank . . . | . | . | . | . | | | |
| Angus Macadam . . . | . | 6,000 | - | - | | | | Sundry Debtors . . . | . | 1,596 | 15 | - | | | |
| John Westrum . . . | . | 2,000 | - | - | 8,000 | - | - | Less Bad Debts Reserve | . | 79 | 16 | 9 | | | |
| Drawing Accounts— | . | | | | | | | Stock . . . | . | | | | 1,516 | 18 | 3 |
| Angus Macadam : | . | 300 | - | - | | | | Plant and Machinery . . . | . | 1,036 | 10 | - | 1,991 | 7 | 6 |
| Interest on Capital . . . | . | 958 | 4 | - | | | | Less Depreciation . . . | . | 103 | 13 | - | | | |
| Share of Profit . . . | . | | | | | | | Land and Buildings . . . | . | 4,960 | - | - | 932 | 17 | - |
| Less Drawings. . . | . | 1,258 | 4 | - | | | | Less Depreciation . . . | . | 124 | - | - | | | |
| | . | 1,000 | - | - | 258 | 4 | - | Unexpired Values— | . | | | | 4,836 | - | - |
| John Westrum : | . | | | | | | | Rates . . . | . | 27 | 1 | 9 | | | |
| Interest on Capital . . . | . | 100 | - | - | | | | Insurance . . . | . | 16 | 7 | 9 | | | |
| Partnership Salary . . . | . | 300 | - | - | | | | | . | | | | 43 | 9 | 6 |
| Share of Profit . . . | . | 319 | 8 | - | | | | | . | | | | | | |
| Less Drawings. . . | . | 719 | 8 | - | | | | | . | | | | | | |
| | . | 300 | - | - | 419 | 8 | - | | . | | | | | | |
| | . | | | | | | | | . | | | | | | |
| | . | | | | 10,040 | 5 | 3 | | . | | | | 10,040 | 5 | 3 |
| | . | | | | | | | | . | | | | | | |

EXERCISE III—No. 14.

Instructions suggested are—

(a) The clerks responsible for "Inwards Invoices," etc., should be careful to analyse items under appropriate headings, viz. (1) Capital or (2) Revenue.

(b) The clerks should make strict inquiries as to whether values stated in invoices with regard to stocks, materials, etc., are to hand.

(c) When examining invoices, care must be taken in dealing with charges for boxes or packages which may be returnable, so that such items can be properly accounted for in the Trading Account.

(d) Clerks must exercise care with regard to proportional amounts *re* Wages, Rent, Insurances, etc., so that the exact amounts chargeable against the accounting period are brought into account.

EXERCISE III—No. 15.

NORMAN LOCKELL

PROFIT AND LOSS ACCOUNT

| Dr. | | FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | Cr. | |
|-----------------------|-----|--|----|--------|----|-----|----------------------------|
| | £ | s. | d. | £ | s. | d. | |
| To Discounts allowed | | | | 572 | - | - | By Trading Account— |
| „ Fire Insurance | 90 | - | - | | | | Gross Profit |
| „ Less amt. prepaid | 20 | - | - | | | | „ Rents received |
| | | | | 70 | - | - | |
| „ General Expenses. | | | | 940 | - | - | |
| „ Salaries | | | | 2,920 | - | - | |
| „ Rent, Rates & Taxes | | | | 1,000 | - | - | |
| „ Depreciation | | | | | | | |
| Premises | 100 | - | - | | | | |
| Plant & Machinery | | | | | | | |
| (10% of £7,640) | 764 | - | - | | | | |
| | | | | 864 | - | - | |
| „ Bad Debts Reserve | | | | | | | |
| (5% of £13,208) | | | | 660 | 8 | - | |
| „ Interest on Capital | | | | | | | |
| (5% of £25,300) | | | | 1,265 | - | - | |
| „ Bank Interest due | | | | 100 | - | - | |
| „ Balance—Net Profit | | | | | | | |
| to Capital A/c . . . | | | | 3,050 | 12 | - | |
| | £ | | | 11,442 | - | - | £ 11,442 - - |

NORMAN LOCKELL

TRADING ACCOUNT

| Dr. | | FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | Cr. | |
|----------------------------|---|--|----|--------|----|-----|--------------------|
| | £ | s. | d. | £ | s. | d. | |
| To Stock, 1st Jan. . . . | | | | 9,570 | - | - | By Sales |
| „ Purchases | | | | 25,360 | - | - | Less Returns |
| „ Wages of Workmen | | | | | | | Inwards |
| „ Bal.—Gross Profit | | | | 11,782 | - | - | „ Stock, 31st Dec. |
| | | | | 11,242 | - | - | |
| | £ | | | 57,954 | - | - | £ 57,954 - - |

EXERCISE III—No. 15 (contd.).

NORMAN LOCKELL
BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES | | | ASSETS | | |
|--|----------|----|----------------------|----------|----|
| £ | s. | d. | £ | s. | d. |
| Bank Loan (including Interest) | | | Cash | 300 | — |
| Bills Payable | 4,109 | — | Bills Receivable . . | 1,558 | — |
| Sundry Creditors . . | 5,140 | — | Sundry Debtors . . | 13,208 | — |
| Capital Account— | 7,720 | — | Less Bad Debts | | |
| Balance, 1st Jan. . . | 25,300 | — | Reserve | 660 | 8 |
| Add Interest . . . | 1,265 | — | Stock | | |
| „ Net Profit for | | | Consignments . . | 1,800 | — |
| year | 3,050 | 12 | Less Advances | | |
| | | | thereon | 1,000 | — |
| | 29,615 | 12 | Plant & Machinery . | 7,640 | — |
| Less Drawings . . . | 2,400 | — | Less Depreciation | 764 | — |
| | | | Premises | 6,000 | — |
| | 27,215 | 12 | Less Depreciation | 100 | — |
| | | | Unexpired Insurance | | |
| | | | | 5,900 | — |
| | | | | 20 | — |
| | | | | 44,175 | 12 |
| | £ 44,175 | 12 | | £ 44,175 | 12 |

EXERCISE III—No. 16.

GREEN, RICHARDS & CO.

TRADING ACCOUNT

Dr. FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | £ | s. | d. | | £ | s. | d. |
|-------------------------|----------|----|----|----------------------|----------|----|----|
| To Stock, 1st Jan. . . | 7,017 | 13 | 8 | By Sales | 73,483 | 10 | 10 |
| „ Purchases | 62,169 | 7 | 3 | „ Stock, 31st Dec. . | 8,316 | 19 | 10 |
| „ Wages | 3,013 | 4 | 4 | | | | |
| „ Balance, Gross Profit | 9,600 | 5 | 5 | | | | |
| | £ 81,800 | 10 | 8 | | £ 81,800 | 10 | 8 |

EXERCISE III—No. 16 (*contd.*).

GREEN, RICHARDS & CO.

PROFIT AND LOSS ACCOUNT

| Dr. | | | | FOR THE YEAR ENDED 31st DECEMBER, 19.. | | | | Cr. | | | |
|--------------------------|-----|----|----|--|----|----|----|---------------------|--------|----|----|
| | £ | s. | d. | | £ | s. | d. | | £ | s. | d. |
| To Salaries of Staff . . | | | | 618 | 13 | 8 | | By Trading Account, | | | |
| „ Office Expenses . . | | | | 493 | 8 | 5 | | Gross Profit . | | | |
| „ Discount | | | | 394 | 11 | 3 | | | 9,600 | 5 | |
| „ Interest on Loans. | | | | 12 | 10 | — | | | | | |
| „ Insurance | | | | 63 | 4 | — | | | | | |
| „ Bad Debts | | | | 17 | 2 | 6 | | | | | |
| „ Sundry Trade | | | | | | | | | | | |
| Charges | | | | 2,838 | 18 | 9 | | | | | |
| „ Depreciation— | | | | | | | | | | | |
| Machinery | | | | | | | | | | | |
| (7½% of £10,000) | 750 | — | — | | | | | | | | |
| Works | | | | | | | | | | | |
| (2½% of £6,500) | 162 | 10 | — | 912 | 10 | — | | | | | |
| „ Partnshp. Salaries | | | | | | | | | | | |
| (£500 to each partn.) | | | | 1,500 | — | — | | | | | |
| „ Int. on Cap. A/cs | | | | | | | | | | | |
| J. Green | | | | | | | | | | | |
| (5% of £8,000) | 400 | — | — | | | | | | | | |
| H. Richards | | | | | | | | | | | |
| (5% of £7,000) | 350 | — | — | | | | | | | | |
| R. Everitt | | | | | | | | | | | |
| (5% of £5,000) | 250 | — | — | | | | | | | | |
| „ Loss on Consgrnt.. | | | | 1,000 | — | — | | | | | |
| „ Bal.—Net Profit | | | | 198 | 10 | — | | | | | |
| to Capital A/cs | | | | | | | | | | | |
| (¼ of £1,550/16/10 | | | | | | | | | | | |
| to each partner). | | | | 1,550 | 16 | 10 | | | | | |
| | | | | £9,600 | 5 | 5 | | | £9,600 | 5 | 5 |

GREEN, RICHARDS & CO.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | £ | s. | d. | £ | s. | d. | ASSETS. | £ | s. | d. | £ | s. | d. |
|----------------------------|-------|----|----|----------|----|----|--------------------------|--------|----|----|----------|----|----|
| Loans | - | - | - | 500 | - | - | Cash | 16 | 14 | 11 | - | - | - |
| Bills Payable | - | - | - | 918 | 19 | 11 | Bank | 1,029 | 17 | 7 | 1,046 | 12 | 6 |
| Sundry Creditors | - | - | - | 4,726 | 15 | 2 | | | | | 365 | 10 | - |
| <i>Capital Accounts—</i> | | | | | | | <i>Bills Receivable.</i> | 5,162 | 11 | 1 | | | |
| J. Green: | | | | | | | Sundry Debtors. | | | | | | |
| Bal., 1st June | 8,000 | - | - | | | | Less Bad Debts Reserve. | 100 | - | - | | | |
| Add Interest | 400 | - | - | | | | | 5,062 | 11 | 1 | | | |
| " Salary | 500 | - | - | | | | | 182 | 11 | 6 | 4,879 | 19 | 7 |
| " Sh. of Profit | 516 | 19 | - | 9,416 | 19 | - | Less Disc't. Res. | | | | 8,316 | 19 | 10 |
| H. Richards: | | | | | | | | | | | | | |
| Bal., 1st Jan. | 7,000 | - | - | | | | Stock | | | | | | |
| Add Interest | 350 | - | - | | | | Machinery | 10,000 | - | - | | | |
| " Salary | 500 | - | - | | | | Less Depreciation | 750 | - | - | 9,250 | - | - |
| " Sh. of Profit | 516 | 18 | 11 | 8,366 | 18 | 11 | Property—Works | 6,500 | - | - | | | |
| R. Everitt : | | | | | | | Less Depreciation | 162 | 10 | - | 6,337 | 10 | - |
| Bal., 1st Jan. | 5,000 | - | - | | | | | | | | | | |
| Add Interest | 250 | - | - | | | | | | | | | | |
| " Salary | 500 | - | - | | | | | | | | | | |
| " Sh. of Profit | 516 | 18 | 11 | | | | | | | | | | |
| | | | | 6,266 | 18 | 11 | | | | | | | |
| | | | | £ 30,196 | 11 | 11 | | | | | £ 30,196 | 11 | 11 |

EXERCISE III—No. 18.

JOURNAL OF BLACK & BROWN

JOURNAL ADJUSTMENT ENTRIES

| 19.. | | <u>£</u> <u>s.</u> <u>d.</u> | | | <u>£</u> <u>s.</u> <u>d.</u> | | |
|------|--|------------------------------|-----------|-----------|------------------------------|-----------|-----------|
| | | <u>£</u> | <u>s.</u> | <u>d.</u> | <u>£</u> | <u>s.</u> | <u>d.</u> |
| | (a) Buildings Account | 198 | — | — | 198 | — | — |
| | To Repairs Account | | | | | | |
| | (b) Jas. Smith | 18 | 2 | 4 | 18 | 2 | 4 |
| | To Allowances Account | | | | | | |
| | (c) Machinery Account | 141 | — | — | 141 | — | — |
| | To Wages (manufacturing) | | | | | | |
| | (d) Sales Returns | 64 | — | — | 64 | — | — |
| | To F. White | | | | | | |
| | | <u>£421</u> | <u>2</u> | <u>4</u> | <u>£421</u> | <u>2</u> | <u>4</u> |
| | | | | | | | |
| | The Profit and Loss Account would be adjusted as follows— | DEBITED | | | CREDITED | | |
| | (a) Buildings (reduction of Repairs) | | | | 198 | — | — |
| | (b) J. Smith (reduction of Allowances) | | | | 18 | 2 | 4 |
| | (c) Machinery (reduction of Mfg. Wages) | | | | 141 | — | — |
| | (d) Francis White (Sales Returns) | 64 | — | — | | | |
| | | | | | | | |
| | TOTAL CREDITS | | | | 357 | 2 | 4 |
| | LESS ITEM OF DEBIT. | | | | 64 | — | — |
| | NET increase of Profit | | | | <u>£293</u> | <u>2</u> | <u>4</u> |

EXERCISE III—No. 19 (contd.).

PEARSON & MACGREGOR

Dr. PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | £ | s. | d. | £ | s. | d. | By Trading Account | £ | s. | d. |
|--|-----|----|----|--------|----|----|--------------------|--------|----|----|
| To Repairs and Renewals. | | | | 248 | 2 | 1 | | 3,824 | 5 | 10 |
| " Bad Debts | | | | 89 | 4 | — | " Discounts | 4 | 9 | 7 |
| " Travelling Expenses | | | | 156 | 14 | 2 | | | | |
| " Stationery Expenses | | | | 192 | 1 | 4 | | | | |
| " Salaries | | | | 346 | 2 | 3 | | | | |
| " Wages | | | | 126 | 2 | 7 | | | | |
| " Water, Gas, etc. | 150 | — | — | | | | | | | |
| " Rent | 50 | — | — | | | | | | | |
| " Add Rent Outstanding | | | | | | | | | | |
| " Insurance | 30 | 5 | 2 | 200 | — | — | | | | |
| " Less Amount unexpired | 7 | — | — | | | | | | | |
| " Trade Expenses | | | | 23 | 5 | 2 | | | | |
| " General Expenses | | | | 197 | 18 | 1 | | | | |
| " Rates and Taxes | 127 | 4 | 6 | 203 | 1 | 2 | | | | |
| " Less Amount unexpired | 14 | 8 | 7 | | | | | | | |
| " Commission | | | | 112 | 15 | 11 | | | | |
| " Bad Debts Reserve (amount required) | 500 | — | — | 62 | 12 | 7 | | | | |
| " Less Old Reserve | 150 | — | — | 350 | — | — | | | | |
| " Depreciation— | | | | | | | | | | |
| Plant and Machinery (10% of £847/10/-) | 84 | 15 | — | | | | | | | |
| Horses and Carts (15% of £356/14/11) | 53 | 10 | 3 | | | | | | | |
| Fixtures, etc. (5% of £375/8/9) | 18 | 15 | 5 | 157 | — | 8 | | | | |
| " Interest on Capital Accounts— | | | | | | | | | | |
| J. Pearson (5% of £5,000) | 300 | — | — | | | | | | | |
| A. Macgregor (5% of £3,000) | 150 | — | — | 450 | — | — | | | | |
| " Balance, Net Profit to Capital Accounts— | | | | | | | | | | |
| J. Pearson, £ share | 609 | 3 | 7 | | | | | | | |
| A. Macgregor, £ share | 304 | 11 | 10 | 913 | 15 | 5 | | | | |
| | | | | £3,828 | 15 | 5 | | £3,828 | 15 | 5 |

PEARSON & MACGREGOR

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | | | | ASSETS. | | | | | | | |
|-------------------|----|----|-------|---------|----|-------------------------|----|-------|----|---|---|
| £ | s. | d. | £ | s. | d. | £ | s. | d. | | | |
| Bank Overdraft | . | . | 122 | 2 | 2 | Cash in hand | . | 46 | 7 | 1 | |
| Sundry Creditors | . | . | 1,099 | 10 | 10 | Bills Receivable | . | 929 | 1 | 1 | |
| Rent Outstanding | . | . | 50 | — | — | Sundry Debtors | . | 5,771 | 4 | 1 | |
| Capital Accounts— | | | | | | Less Bad Debts Reserve | . | 500 | — | — | |
| John Pearson: | | | | | | | | | | | |
| Balance, 1st Jan. | . | . | 6,000 | — | — | Stock. | . | 5,271 | 4 | 1 | |
| Add Interest | . | . | 300 | — | — | Furniture and Fittings. | . | 2,994 | 14 | 7 | |
| „ Share of Profit | . | . | 609 | 3 | 7 | Less Depreciation | . | 375 | 8 | 9 | |
| | | | | | | | | 18 | 15 | 5 | |
| Less Drawings. | . | . | 6,909 | 3 | 7 | Horses and Carts. | . | 356 | 13 | 4 | |
| | | | 650 | — | — | Less Depreciation | . | 53 | 10 | 3 | |
| | | | | | | | | 847 | 10 | — | |
| Allan Macgregor: | | | | | | Plant and Machinery | . | 84 | 15 | — | |
| Balance, 1st Jan. | . | . | 3,000 | — | — | Less Depreciation | . | — | — | — | |
| Add Interest | . | . | 150 | — | — | Unexpired Values— | | 762 | 15 | — | |
| „ Share of Profit | . | . | 304 | 11 | 10 | Rates and Taxes | . | — | — | — | |
| | | | | | | Insurance | . | 14 | 8 | 7 | |
| Less Drawings. | . | . | 3,454 | 11 | 10 | | | 7 | — | — | |
| | | | 300 | — | — | | | | 21 | 8 | 7 |
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EXERCISE III—No. 20.

C. English's—

(a) Circulating Assets, £3,500.

(b) Fixed Assets, £2,760.

(c) Working Capital, £3,500. (This item may also be equal to Liquid Assets LESS Liquid Liabilities (£3,500 - £1,450 = £2,050).)

(d) Capital would be £4,860.

(e) Net Profit should be £190.

(f) The creditors would still be £1,450, as the purchase of new machine relates to the ensuing financial year.

EXERCISE III—No. 21.

Dr.

ADVERTISING SUSPENSE ACCOUNT

Cr.

1931

| | £ | s. | d. | | £ | s. | d. |
|--------------------------|--------|----|----|------------------------------|--------|----|----|
| To Advertising | 498 | - | - | By Profit and Loss | 1,500 | - | - |
| „ Balance c/d | 1,002 | - | - | | | | |
| | £1,500 | - | - | | £1,500 | - | - |

1932

| | £ | s. | d. | | £ | s. | d. |
|--------------------------|--------|----|----|-------------------------------------|--------|----|----|
| To Advertising | 3,785 | - | - | By Balance b/d | 1,002 | - | - |
| | | | | „ Profit and Loss Account | 1,500 | - | - |
| | | | | „ Balance c/d | 1,283 | - | - |
| | £3,785 | - | - | | £3,785 | - | - |

1933

| | £ | s. | d. | | £ | s. | d. |
|--------------------------|--------|----|----|--------------------------------------|--------|----|----|
| To Balance b/d | 1,283 | - | - | By Profit and Loss Account | 1,500 | - | - |
| „ Advertising | 309 | - | - | „ Balance c/d | 92 | - | - |
| | £1,592 | - | - | | £1,592 | - | - |

1934

| | £ | s. | d. | | £ | s. | d. |
|--------------------------|--------|----|----|--------------------------------------|--------|----|----|
| To Balance b/d | 92 | - | - | By Profit and Loss Account | 1,500 | - | - |
| „ Advertising | 271 | - | - | | | | |
| „ Balance c/d | 1,137 | - | - | | | | |
| | £1,500 | - | - | | £1,500 | - | - |

1935

| | £ | s. | d. | | £ | s. | d. |
|--------------------------|--------|----|----|-------------------------------------|--------|----|----|
| To Advertising | 3,466 | - | - | By Balance b/d | 1,137 | - | - |
| | | | | „ Profit and Loss Account | 1,500 | - | - |
| | | | | „ Balance c/d | 829 | - | - |
| | £3,466 | - | - | | £3,466 | - | - |
| To Balance b/d | 829 | - | - | | | | |

EXERCISE III—No. 21 (*contd.*).

BALANCE SHEET

| LIABILITIES | | | | ASSETS | | | |
|-------------------------------|-------|----|----|-------------------------------|-------|----|----|
| | £ | s. | d. | | £ | s. | d. |
| 1931 Advertising Suspense A/c | 1,002 | - | - | 1932 Advertising Suspense A/c | 1,283 | - | - |
| 1934 " " | 1,137 | - | - | 1933 " " | 92 | - | - |
| | | | | 1935 " " | 29 | - | - |

EXERCISE III—No. 22.

JOURNAL ENTRIES

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|--|--------|----|----|--------|----|----|
| | Trading Account | 5,695 | - | - | | | |
| | To Carriage Inwards | | | | 200 | - | - |
| | " Rent, Rates, etc. | | | | 960 | - | - |
| | $\frac{1}{2}$ of £1,200. | | | | | | |
| | To Wages and Salaries | | | | 4,400 | - | - |
| | " Lighting and Heating | | | | 135 | - | - |
| | Balances transferred. | | | | | | |
| | Profit and Loss Account | 2,335 | - | - | | | |
| | To Salaries and Wages | | | | 500 | - | - |
| | " Lighting and Heating | | | | 220 | - | - |
| | " Directors' Remuneration | | | | 1,000 | - | - |
| | " Discounts and Allowances | | | | 190 | - | - |
| | " Rent, Rates, etc. ($\frac{1}{2}$ of £1,200) | | | | 240 | - | - |
| | " Repairs to Plant, etc. | | | | 185 | - | - |
| | Balances transferred. | | | | | | |
| | Discount on Purchases | 210 | - | - | | | |
| | To Profit and Loss Account | | | | 210 | - | - |
| | Balance transferred. | | | | | | |
| | | £8,240 | - | - | £8,240 | - | - |

EXERCISE III—No. 23.

A *Capital Account* is the account of the proprietor of a business. It embraces, ordinarily, the amount introduced to commence business, interest due on that sum, profit or loss arising out of the business, and drawings (if any).

Gross Profit is the amount by which the selling price exceeds the cost price.

Net Profit is the amount by which the Gross profit exceeds the selling and administrative expenses.

A *Trading Account* (or Working Account) deals with purchasing and manufacturing expenses.

A *Profit and Loss Account* deals with selling and administration expenses. (See *Advanced Accounts*, Chapter II.)

EXERCISE III—No. 24.

| <i>Dr.</i> | | Z. COBB—CAPITAL ACCOUNT | | | | <i>Cr.</i> | | | |
|------------------|----------------------|-------------------------|--------|----|----------------|----------------------|--------|--------|----|
| 1934 Sept. 30 | To Balance c/d . . . | £ | s. | d. | 1933 Oct. 1 | By Balance . . . | £ | s. | d. |
| | | 10,000 | — | — | 1934 Apr. 1 | „ Bank . . . | 1,200 | — | — |
| | | £ | 10,000 | — | | | £ | 10,000 | — |
| | | | | | 1934 Oct. 1 | By Balance b/d . . . | 10,000 | — | — |

| <i>Dr.</i> | | CURRENT ACCOUNT | | | | <i>Cr.</i> | | | |
|--------------------------------|---------------------|-----------------|----|----|------------------|--|--------|----|----|
| 1933/34 Oct. 1/ Sept. 30 | To Drawings . . . | £ | s. | d. | 1933 Oct. 1 | By Balance . . . | £ | s. | d. |
| | „ Balance c/d . . . | 2,000 | — | — | 1934 Sept. 30 | „ Interest . . . | 440 | — | — |
| | | 196 | 6 | 8 | „ 30 | „ „ „ Profit, $\frac{2}{3}$. . . | 30 | — | — |
| | | | | | „ 30 | „ Share of Profit, $\frac{2}{3}$. . . | 1,523 | 6 | 8 |
| | | £2,196 | 6 | 8 | | | £2,196 | 6 | 8 |
| | | | | | 1934 Oct. 1 | By Balance b/d . . . | 196 | 6 | 8 |

| <i>Dr.</i> | | R. COBB—CAPITAL ACCOUNT | | | | <i>Cr.</i> | | | |
|------------------|----------------------|-------------------------|----|----|----------------|----------------------|--------|----|----|
| 1934 Sept. 30 | To Balance c/d . . . | £ | s. | d. | 1933 Oct. 1 | By Balance . . . | £ | s. | d. |
| | | 5,000 | — | — | 1934 Apr. 1 | „ Bank . . . | 1,400 | — | — |
| | | £5,000 | — | — | | | £5,000 | — | — |
| | | | | | 1934 Oct. 1 | By Balance b/d . . . | 5,000 | — | — |

| <i>Dr.</i> | | CURRENT ACCOUNT | | | | <i>Cr.</i> | | | |
|--------------------------------|----------------------|-----------------|----|----|------------------|-----------------------------------|--------|----|----|
| 1933 Oct. 1 | To Balance . . . | £ | s. | d. | 1934 Sept. 30 | By Interest . . . | £ | s. | d. |
| 1933/34 Oct. 1/ Sept. 30 | „ Drawings . . . | 1,500 | — | — | „ 30 | „ „ „ Profit, $\frac{1}{3}$. . . | 35 | — | — |
| | | | | | „ 30 | „ Balance c/d . . . | 761 | 13 | 4 |
| | | £1,604 | — | — | „ 30 | | 627 | 6 | 8 |
| | | | | | | | £1,604 | — | — |
| 1934 Oct. 1 | To Balance b/d . . . | 627 | 6 | 8 | | | | | |

EXERCISE III—No. 25.

| <i>Dr.</i> | | A. BUYER'S ACCOUNT | | | | <i>Cr.</i> | | |
|------------|-------------------------|--------------------|----|----|---------|------------------------|------|------|
| | | £ | s. | d. | | £ | s. | d. |
| 1933 | | | | | 1933 | | | |
| Jan. 1 | To Balance . . . | 15 | 9 | 3 | Jan. 13 | By Returns . . . | 5 | — |
| " 10 | " Sales . . . | 40 | — | — | Feb. 5 | " Cash . . . | 48 | 14 3 |
| June 23 | " " . . . | 36 | — | — | " 5 | " Discount . . . | 1 | 15 — |
| Aug. 17 | " " . . . | 45 | — | — | May 8 | " Cash (Deposit) . . . | 100 | — |
| " 27 | " " . . . | 59 | — | — | Nov. 30 | " Bad Debts . . . | 30 | — |
| | | | | | " 30 | " Balance c/d . . . | 10 | — |
| | | £195 | 9 | 3 | | | £195 | 9 3 |
| 1933 | | | | | 1934 | | | |
| Nov. 30 | To Balance b/d . . . | 10 | — | — | Feb. 1 | By Cash . . . | 10 | 5 6 |
| Feb. 1 | " Profit and Loss . . . | 5 | 6 | — | | | | |
| | | £10 | 5 | 6 | | | £10 | 5 6 |

EXERCISE III—No. 26.

| <i>Dr.</i> | | G. READER—CAPITAL ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|----------------------|---------------------------|----------|----------|--------|----------------------|---------------|------------|----------|
| | | £ | s. | d. | | | £ | s. | d. |
| 1931 | | | | | 1931 | | | | |
| Dec. 31 | To Balance c/d . . . | 3,000 | — | — | Jan. 1 | By Balance . . . | 2,500 | — | — |
| | | | | | July 1 | „ Bank . . . | 500 | — | — |
| | | <u>£3,000</u> | <u>—</u> | <u>—</u> | | | <u>£3,000</u> | <u>—</u> | <u>—</u> |
| | | | | | 1932 | | | | |
| | | | | | Jan. 1 | By Balance b/d . . . | 3,000 | — | — |

| <i>Dr.</i> | | G. READER—CURRENT ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|---------------------|---------------------------|----------|----------|---------|--|-------------|------------|----------|
| 1931 | | £ | s. | d. | 1931 | | £ | s. | d. |
| Jan./ | To Drawings . . . | 320 | — | — | Dec. 31 | By Interest . . . | 125 | — | — |
| Dec. | | | | | " 31 | " " " Share of Profit, $\frac{1}{2}$. . . | 12 | 10 | — |
| Dec. 31 | „ Balance c/d . . . | 194 | 3 | 4 | " 31 | | 376 | 13 | 4 |
| | | <u>£514</u> | <u>3</u> | <u>4</u> | | | <u>£514</u> | <u>3</u> | <u>4</u> |
| | | | | | 1932 | | | | |
| | | | | | Jan. 1 | By Balance b/d . . . | 194 | 3 | 4 |

| <i>Dr.</i> | | A. STOREY—CAPITAL ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|------------------|---------------------------|----|----|--------|----------------------|---------------|----|----|
| 1931 | | £ | s. | d. | 1931 | | £ | s. | d. |
| Dec. 31 | To Balance . . . | 3,000 | — | — | Jan. 1 | By Balance . . . | 2,500 | — | — |
| | | | | | July 1 | „ Bank . . . | 500 | — | — |
| | | <u>£3,000</u> | — | — | | | <u>£3,000</u> | — | — |
| | | | | | 1934 | | | | |
| | | | | | Jan. 1 | By Balance b/d . . . | 3,000 | — | — |

EXERCISE III—No. 26 (*contd.*).

| <i>Dr.</i> | | A. STOREY—CURRENT ACCOUNT | | | | <i>Cr.</i> | | |
|------------|---------------------|---------------------------|-----------|----------|---------|----------------------------------|-------------|-----------|
| 1931 | | £ | s. | d. | 1931 | £ | s. | d. |
| Jan. 1 | To Drawings . . . | 320 | — | — | Dec. 31 | By Interest . . . | 125 | — |
| Dec. 31 | „ Balance c/d . . . | 5 | 16 | 8 | „ 31 | „ „ „ . . . | 12 | 10 |
| | | | | | „ 31 | „ Share of Profit, $\frac{1}{2}$ | 188 | 6 |
| | | <u>£325</u> | <u>16</u> | <u>8</u> | | | <u>£325</u> | <u>16</u> |
| | | | | | | | | <u>8</u> |
| | | | | | 1932 | | | |
| | | | | | Jan. 1 | By Balance b/d . . . | 5 | 16 |
| | | | | | | | | 8 |

EXERCISE III—No. 27.

NOMINAL LEDGER

| <i>Dr.</i> | | TELEPHONE ACCOUNT (1939) | | | | <i>Cr.</i> | | | |
|------------|--------------------|--------------------------|----|----|---------|--------------------------|-----|----|----|
| 1939 | | £ | s. | d. | 1939 | | £ | s. | d. |
| Mar. 31 | To Qrs. Rent . . . | 3 | 7 | 8 | Dec. 31 | By Profit and Loss A/c . | 34 | 14 | 8 |
| | " " Calls . . . | 6 | 7 | 10 | | | | | |
| June 30 | " Qrs. Rent . . . | 3 | 7 | 8 | | | | | |
| | " " Calls . . . | 5 | 3 | — | | | | | |
| Sept. 30 | " Qrs. Rent . . . | 3 | 7 | 8 | | | | | |
| | " " Calls . . . | 4 | 16 | — | | | | | |
| Dec. 31 | " Qrs. Rent . . . | 3 | 7 | 8 | | | | | |
| | " " Calls . . . | 4 | 17 | 2 | | | | | |
| | | £34 | 14 | 8 | | | £34 | 14 | 8 |

EXERCISE III—No. 28.

(a) Revaluation of stock is necessary to avoid carrying a wrong value of this asset to the Balance Sheet as stock-in-trade is subject to market fluctuations, and it is prudent to adjust such stock to its present market value.

(b) This value would be *debited* to a new Stock Account.

EXERCISE III—No. 29.

| <i>Dr.</i> | | RENT AND RATES ACCOUNT | | | | <i>Cr.</i> | | |
|------------|------------------------------|------------------------|----|----|---------|--------------------------|------|----|
| 1935 | | £ | s. | d. | 1936 | £ | s. | d. |
| Feb. 1 | To Rates (prepaid) b/f . . . | 30 | — | — | Jan. 31 | By Rates (prepaid) c/d . | 29 | — |
| Apr. 1 | „ Rent . . . | 180 | — | — | „ 31 | „ Profit and Loss A/c . | 808 | — |
| July 1 | „ „ . . . | 180 | — | — | | | | |
| Oct. 1 | „ „ . . . | 180 | — | — | | | | |
| Dec. 15 | „ Rates . . . | 87 | — | — | | | | |
| „ 31 | „ Income Tax, Sch. A . | 150 | — | — | | | | |
| 1936 | | | | | | | | |
| Jan. 1 | „ Rent (net) . . . | 30 | — | — | | | | |
| | | £837 | — | — | | | £837 | — |
| 1936 | | | | | | | | |
| Feb. 1 | To Rates (prepaid) . . . | 29 | — | — | | | | |

EXERCISE III—No. 30

(a) Capital Expenditure. (b) Revenue Expenditure. (c) Revenue Expenditure. (d) Capital Expenditure.

EXERCISE IV—No 1.

| Dr. | | TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 1937 | | | | Cr. | |
|-------------------------------------|---|---|-----------------|------------------------------------|---|-----|----------------|
| | | £ | £ | £ | £ | £ | £ |
| To Stock, 1st April, 1936 | . | . | 67,750 | By Credit Sales | . | . | 124,756 |
| " Purchases | . | . | 95,585 | " Cash Sales | . | . | 10,626 |
| " Wages | . | . | 10,607 | | | | |
| " Balance, Gross Profit c/d | . | . | 31,540 | " Stock at close, 31st March, 1937 | . | . | 135,382 |
| | | | <u>£205,482</u> | | | | <u>70,100</u> |
| 2 To Trade Expenses | . | 15,206 | | By Gross Profit b/d | . | . | 31,540 |
| Less Insurance prepaid | . | 62 | | " Discounts Received | . | . | 2,006 |
| | | | | | | | |
| " Discounts allowed | . | | 15,144 | | | | |
| " Bad Debts Reserve (new) | . | | 3,202 | | | | |
| Less Old Reserve | . | | 55 | | | | |
| | | | | | | | |
| " Depreciation of Plant 10 per cent | . | | 6,825 | | | | |
| " Debenture Interest | . | | 2,100 | | | | |
| " Balance, Net Profit | . | | 6,220 | | | | |
| | | | <u>£33,546</u> | | | | <u>£33,546</u> |

BALANCE SHEET AS AT 31ST MARCH, 1937

69

EXERCISE IV—No. 2.

STATEMENT OF NET EARNINGS

| | 1934 | 1935 |
|---|-------------|---------------|
| | £ | £ |
| Cash Receipts | 619 | 1,042 |
| Add Fees owing | 173 | 281 |
| | <u>£792</u> | <u>£1,323</u> |
| Less Expenses | 196 | 248 |
| | <u>£596</u> | <u>£1,075</u> |
| It is assumed that the £173 Fees owing have been paid, which amount must be deducted from net earnings in the year 1935 . . . | | 173 |
| | | <u>£902</u> |

EXERCISE IV—No. 3.

STATEMENT OF PROFIT AND LOSS OF FROST AND SNOW FOR THE YEAR ENDED 31ST DECEMBER, 1935

| LIABILITIES | | £ | s. | d. | £ | Assets | | £ | £ |
|------------------------------|---|---|----|----|--------|------------------------------|---|-------|----------------|
| Sundry Creditors | . | . | . | — | 3,213 | Cash at Bank | . | . | 1,399 |
| Loan from Frost | . | . | — | — | — | Sundry Debtors | . | . | 7,367 |
| Add Interest accrued | . | . | — | — | 125 | Bills Receivable | . | . | 1,000 |
| Balance, being final capital | . | . | | | 4,125 | Stock | . | . | 4,813 |
| | | | | | 14,110 | Plant and Machinery | . | . | |
| | | | | | | Add Additions | . | . | 5,400 |
| | | | | | | | | 2,000 | |
| | | | | | | Less Depreciation | . | . | 7,400 |
| | | | | | | | | 531 | 6,869 |
| | | | | | | | | | <u>£21,448</u> |
| Capital, 1st January, 1935— | | | | | | | | | |
| Frost | . | . | — | — | 10,000 | Capital, 31st December, 1935 | . | . | 14,110 |
| Snow | . | . | — | — | 4,000 | Drawings— | | | |
| | | | | | | Frost | . | . | 1,243 |
| Balance, Net Profit— | | | | | 14,000 | Snow | . | . | 1,030 |
| Frost | . | . | 16 | — | | | | | |
| Snow | . | . | 4 | — | | | | | 2,273 |
| | | | | | | | | | |
| | | | | | | | | | <u>£16,383</u> |
| | | | | | | | | | |
| | | | | | | | | | <u>£16,383</u> |

EXERCISE IV—No. 4.

STATEMENT OF PROFIT AND LOSS

Dr.

31st DECEMBER, 19..

Cr.

| | £ | s. | d. | | £ | s. | d. |
|-------------------------------|---|----|----|---------------------------------|--------|----|-------|
| Bank Overdraft | | | | Cash | 500 | — | 15 |
| Sundry Creditors | | | | Sundry Debtors | 1,400 | 10 | 732 |
| Final Capital c/d | | | | Stock | 1,228 | — | 950 |
| | | | | Fixtures and Fittings | | | 80 |
| | | | | Machinery and Plant | | | 1,350 |
| | | | | | £3,128 | 10 | — |
| Capital, 1st Jan. | | | | Final Capital b/d. | 1,090 | — | 1,228 |
| Balance, Net Profit | | | | Drawings | 618 | — | 480 |
| | | | | | £1,708 | — | — |

STATEMENT OF AFFAIRS

31st DECEMBER, 19..

| | £ | s. | d. | | £ | s. | d. |
|-------------------------------|-------|----|----|-------------------------------|--------|----|-------|
| LIABILITIES. | | | | ASSETS. | | | |
| Bank Overdraft | | | | Cash | 500 | — | 15 |
| Sundry Creditors | | | | Stock | 1,400 | 10 | 732 |
| Capital Account— | | | | Sundry Debtors | | | 80 |
| Balance, 1st Jan. | 1,090 | — | — | Fixtures, etc. | | | 1,350 |
| Add Profit for year | 618 | — | — | Machinery and Plant | | | — |
| | 1,708 | — | — | | | | |
| Less Drawings. | 480 | — | — | | | | |
| | | | | | 1,228 | — | — |
| | | | | | £3,128 | 10 | — |

EXERCISE IV—No. 5.

A's STATEMENT OF PROFIT AND LOSS

[illegible]

EXERCISE IV—No. 5 (contd.).

A's STATEMENT OF AFFAIRS

31ST DECEMBER, 19..

| LIABILITIES. | | | | | | | | ASSETS. | | | | | | | |
|----------------------------|--------|----|----|--|----------|----|----|----------------------------------|---|----|----|--|----------|----|----|
| | £ | s. | d. | | £ | s. | d. | | £ | s. | d. | | £ | s. | d. |
| Sundry Creditors | • | | | | 1,950 | — | — | Cash | • | | | | 8,800 | — | — |
| Capital Account— | | | | | | | | Sundry Debtors | • | | | | 440 | — | — |
| Balance | 7,400 | — | — | | | | | Less Bad Debts Reserve | • | | | | | | |
| Add Interest | 345 | — | — | | | | | | | | | | | | |
| „ Profit | 3,208 | — | — | | | | | Stock | • | | | | 140 | — | — |
| | | | | | | | | Furniture | • | | | | 7 | — | — |
| | 10,953 | — | — | | | | | Less Depreciation | • | | | | | | |
| Less Drawings. | 300 | — | — | | | | | Plant, etc. | • | | | | 2,000 | — | — |
| | | | | | 10,653 | — | — | Less Depreciation | • | | | | 200 | — | — |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | £ 12,603 | — | — | | | | | | | | |
| | | | | | | | | | | | | | £ 12,603 | — | — |

BALANCE SHEET AS AT 1ST JULY, 1936

76

EXERCISE IV—No. 6. (*contd.*).

BALANCE SHEET AS AT 30TH JUNE, 1937

| LIABILITIES | | £ | £ | £ 200 | ASSETS | | £ |
|-----------------------------|---|-----|-------|--------|-------------------------------|---|--------|
| Sundry Creditors | . | . | . | . | Cash in hand | . | 6 |
| Capital Account— | . | . | . | . | Cash at Bank | . | 250 |
| Balance, 1st July | . | . | 1,383 | . | Stock | . | 350 |
| Add Year's Profit | . | . | 268 | . | Sundry Debtors | . | 150 |
| | | | 1,651 | | Plant and Machinery | . | 900 |
| Less Drawings | . | 156 | | | | | |
| " Stock | . | 39 | 195 | 1,456 | | | |
| | | | | £1,656 | | | £1,656 |

EXERCISE IV—No. 7.

W. Robinson does not appear to have an efficient system of book-keeping.

(1) Additional books required are—

(a) Purchases Book, and (b) General Ledger.

(2) Posting to Ledgers must be twofold. The accounts of Debtors must be offset by an account for Sales (for aggregate of the separate postings to customers).

Credit transactions with Creditors need the "double entry" records, and can be effected by the aid of the Purchases Book.

(3) Discount, Cash, and Details columns are required in the Cash Book, to adequately record items of Discount, or amounts transferred, etc.

(4) Complete records of all impersonal items (real and nominal) should be kept in the Ledger recommended.

(5) "Annual Accounts" can be prepared by the adoption of double entry book-keeping, as against the single entry method, which is unsatisfactory for that purpose.

EXERCISE IV—No. 8.

See *Advanced Accounts*, page 3 (under "Accounts").

EXERCISE IV—No. 9.

A *Trading Account* deals with purchasing and manufacturing expenses.

A *Profit and Loss Account* deals with selling, distribution, and administration expenses.

Trading Account Items.

Sales.
Purchases.
Manufacturing Wages.
Carriage.
Stocks and Materials.

Profit and Loss Account Items.

Allowances.
Debenture Interest.
Salaries.
Advertising.

All relate to cost of manufacture, except Sales, which is the turn-over of a business.

All are expenses of selling, distribution, or administration.

EXERCISE IV—No. 10.

JOURNAL
(FIRST METHOD)

| 19.. | | £ | s. | d. | £ | s. | d. |
|---------|--|------|----|----|------|----|----|
| Dec. 31 | Profit and Loss Account | 236 | 3 | 2 | | | |
| | To Bad Debts | | | | 236 | 3 | 2 |
| | Transfer of balance. | | | | | | |
| „ 31 | Provision for Bad and Doubtful Debts | 18 | 6 | 10 | | | |
| | To Bad Debts Reserve. | | | | 18 | 6 | 10 |
| | 5% of £5,721/15/8 = £286/ 1/ 9 | | | | | | |
| | Less Old Reserve 267/14/11 | | | | | | |
| „ 31 | Profit and Loss Account | 18 | 6 | 10 | | | |
| | To Provision for Bad Debts, etc. | | | | 18 | 6 | 10 |
| | Transfer of balance. | | | | | | |
| | | £272 | 16 | 10 | £272 | 16 | 10 |

JOURNAL
(SECOND METHOD)

| 19.. | | £ | s. | d. | £ | s. | d. |
|---------|--|------|----|----|------|----|----|
| Dec. 31 | Bad Debts Reserve Account | 236 | 3 | 2 | | | |
| | To Bad Debts | | | | 236 | 3 | 2 |
| | Transfer of balance. | | | | | | |
| „ 31 | Bad Debts | 254 | 10 | — | | | |
| | To Bad Debts Reserve. | | | | 254 | 10 | — |
| | Amount required to raise reserve from £31/11/9 to £286/1/9 (5% of £5,721/15/8). | | | | | | |
| „ 31 | Profit and Loss Account | 254 | 10 | — | | | |
| | To Bad Debts | | | | 254 | 10 | — |
| | Transfer of balance. | | | | | | |
| | | £745 | 3 | 2 | £745 | 3 | 2 |

EXERCISE IV—No. 10 (*contd.*).

PROFIT AND LOSS ACCOUNT

(FIRST METHOD)

(Dr. Side)

| 19.. | | £ | s. | d. |
|------|---|------|----|----|
| | To Bad Debts | 236 | 3 | 2 |
| | „ Provision for Bad and Doubtful Debts. | 18 | 6 | 10 |
| | | £254 | 10 | — |

PROFIT AND LOSS ACCOUNT

(SECOND METHOD)

(Dr. Side)

| 19.. | | £ | s. | d. |
|------|------------------------|-----|----|----|
| | To Bad Debts | 254 | 10 | — |

BALANCE SHEET

ASSETS

| | £ | s. | d. | £ | s. | d. |
|----------------------------------|-------|----|----|-------|----|----|
| Sundry Debtors. | 5,721 | 15 | 8 | | | |
| Less Bad Debts Reserve | 286 | 1 | 9 | | | |
| | | | | 5,435 | 13 | 11 |

EXERCISE IV—No. 11.

JOURNAL

(FIRST METHOD)

| 19.. | | £ | s. | d. | £ | s. | d. |
|---------|---|------|----|----|------|----|----|
| Dec. 31 | Profit and Loss Account | 164 | 8 | 10 | | | |
| | To Discounts Allowed | | | | 164 | 8 | 10 |
| | Transfer of balance. | | | | | | |
| „ 31 | Provision for Discount Reserve on Debtors | 28 | 4 | 6 | | | |
| | To Discount Reserve on Debtors | | | | 28 | 4 | 6 |
| | 5% of (£3,895/14/11 - £194/15/9) = £185/1/- | | | | | | |
| | Less Old Reserve | | | | | | |
| | | | | | | | |
| „ 31 | Profit and Loss Account | 28 | 4 | 6 | | | |
| | To Provision for Discount Res. on Drs. | | | | 28 | 4 | 6 |
| | Transfer of balance. | | | | | | |
| | | £220 | 17 | 10 | £220 | 17 | 10 |

EXERCISE IV—No. 11 (*contd.*).JOURNAL
(SECOND METHOD)

| 19.. | | £ | s. | d. | £ | s. | d. |
|---------|---|------|----|----|------|----|----|
| Dec. 31 | Discount Reserve on Debtors | 164 | 8 | 10 | | | |
| | To Discounts Allowed | | | | 164 | 8 | 10 |
| | Transfer of balance. | | | | | | |
| „ 31 | Discounts Allowed Account | 192 | 13 | 4 | | | |
| | To Discount Reserve on Debtors | | | | 192 | 13 | 4 |
| | Amount required to raise reserve from debit of £7/12/4 to credit of £185/1/- (5% of £3,700/19/2 [£3,895/14/11, less Bad Debts Reserve of 5%, i.e. £194/15/9]). | | | | | | |
| „ 31 | Profit and Loss Account | 192 | 13 | 4 | | | |
| | To Discounts Allowed | | | | 192 | 13 | 4 |
| | Transfer of balance. | | | | | | |
| | | £549 | 15 | 6 | £549 | 15 | 6 |

PROFIT AND LOSS ACCOUNT
(FIRST METHOD)
(Dr. Side)

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|---|-----|----|----|------|----|----|
| | To Discounts Allowed | | | | 164 | 8 | 10 |
| | „ Reserve for Discount on Debtors | 185 | 1 | — | | | |
| | Less Old Reserve | 156 | 16 | 6 | | | |
| | | | | | 28 | 4 | 6 |
| | | | | | £192 | 13 | 4 |

PROFIT AND LOSS ACCOUNT
(SECOND METHOD)
(Dr. Side)

| 19.. | | £ | s. | d. |
|------|--------------------------------|-----|----|----|
| | To Discounts Allowed | 192 | 13 | 4 |

BALANCE SHEET
ASSETS

| | £ | s. | d. | £ | s. | d. |
|----------------------------------|-------|----|----|-------|----|----|
| Sundry Debtors | 3,895 | 14 | 11 | | | |
| Less Bad Debts Reserve | | | | | | |
| „ Discount Reserve | 194 | 15 | 9 | | | |
| | 379 | 16 | 9 | 3,515 | 18 | 2 |

EXERCISE IV. No. 12.

X Y Z & CO.

TRADING ACCOUNT FOR THE HALF-YEAR ENDED 31ST DECEMBER, 19..

[illegible]

PROFIT AND LOSS ACCOUNT FOR HALF-YEAR ENDED 31ST DECEMBER, 19..

| | £ | <i>s.</i> | <i>d.</i> | <i>f.</i> | <i>s.</i> | <i>d.</i> | <i>f.</i> | Cr. |
|---|---|-----------|-------------|-----------|-----------|-----------|-----------|-----|
| To Discounts Allowed | | | - | 938 | - | - | 6,126 | |
| " Rent, Rates, and Taxes | | | - | 106 | - | - | 390 | |
| " Advertising | | | - | 463 | - | - | | |
| " Traveller's Salary | | | - | 431 | - | - | | |
| " Bad Debts | | | - | 101 | - | - | | |
| " Repairs | | | - | 84 | - | - | | |
| " General Expenses | | | - | 502 | - | - | | |
| " Interest on Loans | | | - | 124 | - | - | | |
| " Depreciation— Buildings 23 Plant 155 | | | - - | | | | | |
| Bal., Net Profit to Capital A/cs— C G ($\frac{7}{8}$ share) 2,268 S G ($\frac{1}{8}$ share) 1,360 | | | 2 6 17 6 | 178 | - | - | | |
| | | | | 3,629 | - | - | | |
| | | | | | - | - | £6,556 | |

EXERCISE IV—No. 12 (*contd.*).

X Y Z & CO.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

[illegible]

EXERCISE IV—No. 13.

STATEMENT SHOWING NET SALES FOR THE YEAR

| | £ | s. | d. |
|--|---------------|----------|----------|
| Sundry Debtors, 1st January | 1,537 | 5 | 10 |
| Add Cash and Credit Sales | 5,731 | 6 | 3 |
| | 7,268 | 12 | 1 |
| Balance (incl. £37 10s. bad debts) | 1,770 | 6 | 6 |
| | <u>£5,498</u> | <u>5</u> | <u>7</u> |

EXERCISE IV—No. 14.

TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|--|------------|-----------|----------|------------|-----------|----------|
| (a) Sales (undercast) | | | | 10 | — | — |
| (b) Discount allowed (unposted) | 15 | 3 | | | | |
| (c) Discount allowed (posted to wrong side of account) | 14 | 9 | 6 | | | |
| (d) Customers Account (posted 10s. short) | | 10 | — | | | |
| (e) Credit balance on Customers Account (overlooked) | | | | 2 | 5 | — |
| | 15 | 14 | 9 | 12 | 5 | — |
| DIFFERENCE IN BOOKS | | | | 3 | 9 | 9 |
| | <u>£15</u> | <u>14</u> | <u>9</u> | <u>£15</u> | <u>14</u> | <u>9</u> |

EXERCISE IV—No. 15.

Dr. TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1935 Cr.

| | | | | |
|--|-------|---------|------------------------------|--------|
| To Stock, 1st January, 1935 | £ | £ | By Sales, net | £ |
| " Purchases | 5,284 | 1,824 | " Stock, 31st December, 1935 | 10,000 |
| Less Returns | 171 | | | 1,909 |
| Carriage Inwards | | 5,113 | | |
| " Manufacturing Wages | | 250 | | |
| " Balance, Gross Profit c/d | | 2,122 | | |
| | | 2,600 | | |
| | | £11,909 | | 11,909 |
| To Office Salaries, etc. | | 484 | By Balance, Gross Profit b/d | 2,600 |
| " Rent, Rates, and Insurance | 463 | | " Discount on Purchases | 76 |
| Less Prepaid | 40 | 423 | " Commissions Received | 50 |
| " Legal and Audit Fees | 33 | | | |
| Add Audit Fees owing | 25 | 58 | | |
| Advertising (incl. £20 owing) | | 276 | | |
| " Discounts allowed | | 150 | | |
| " Travellers' Salaries and Commission | | 470 | | |
| " Partnership Salaries | | 300 | | |
| " Bad Debts Reserve (amount of increase) | | 55 | | |
| " Interest on Capital (M. Baines | 75 | | | |
| " " " (P. Benson | 150 | 225 | | |
| " Depreciation of (Plant and Machinery 10% | 100 | | | |
| " " (Fixtures, etc., 5%. | 10 | 110 | | |
| " Balance, Net Profit— | | | | |
| Capital Accounts (M. Baines | 70 | | | |
| " (P. Benson | 105 | 175 | | |
| | | £2,726 | | £2,726 |

EXERCISE V—No. 1.

| <i>Dr.</i> | | | LEASE ACCOUNT | | | <i>Cr.</i> | | |
|------------|----------------------|------|---------------|----|--------|-----------------------|------|----|
| | | £ | s. | d. | | £ | s. | d. |
| Year 1 | To Cash . . . | £440 | — | — | Year 1 | By Depreciation . . . | £110 | — |
| | | | | | | „ Balance c/d . . . | 330 | — |
| | | £440 | — | — | | | £440 | — |
| Year 2 | To Balance b/d . . . | 330 | — | — | Year 2 | By Depreciation . . . | 110 | — |
| | | | | | | „ Balance c/d . . . | 220 | — |
| | | £330 | — | — | | | £330 | — |
| Year 3 | To Balance b/d . . . | 220 | — | — | Year 3 | By Depreciation . . . | 110 | — |
| | | | | | | „ Balance c/d . . . | 110 | — |
| | | £220 | — | — | | | £220 | — |
| Year 4 | To Balance b/d . . . | £110 | — | — | Year 4 | By Depreciation . . . | £110 | — |
| | | | | | | | | |

EXERCISE V—No. 2

| <i>Dr.</i> | | | MACHINERY ACCOUNT | | | <i>Cr.</i> | | |
|------------|----------------------|--------|-------------------|----|--------|-------------------------|--------|------|
| | | £ | s. | d. | | £ | s. | d. |
| Year 1 | To Cash . . . | £3,000 | — | — | Year 1 | By Depreciation . . . | £750 | — |
| | | | | | | „ Balance c/d . . . | 2,250 | — |
| | | £3,000 | — | — | | | £3,000 | — |
| Year 2 | To Balance b/d . . . | 2,250 | — | — | Year 2 | By Depreciation . . . | 562 | 10 |
| | | | | | | „ Balance c/d . . . | 1,687 | 10 |
| | | £2,250 | — | — | | | £2,250 | — |
| Year 3 | To Balance b/d . . . | 1,687 | 10 | — | Year 3 | By Depreciation . . . | 421 | 17 6 |
| | | | | | | „ Balance c/d . . . | 1,265 | 12 6 |
| | | £1,687 | 10 | — | | | £1,687 | 10 |
| Year 4 | To Balance b/d . . . | 1,265 | 12 6 | — | Year 4 | By Depreciation . . . | 316 | 8 1 |
| | | | | | | „ Balance c/d . . . | 949 | 4 5 |
| | | £1,265 | 12 6 | — | | | £1,265 | 12 6 |
| Year 5 | To Balance b/d . . . | 949 | 4 5 | — | Year 5 | By Depreciation . . . | 237 | 6 1 |
| | | | | | | „ Balance c/d . . . | 711 | 18 4 |
| | | £949 | 4 5 | — | | | £949 | 4 5 |
| Year 6 | To Balance b/d . . . | 711 | 18 4 | — | Year 6 | By Depreciation . . . | 177 | 18 4 |
| | | | | | | (Adjustment of 1s. 3d.) | | |
| | | | | | | „ Balance c/d . . . | 534 | — |
| | | £711 | 18 4 | — | | | £711 | 18 4 |
| Year 7 | To Balance b/d . . . | 534 | — | — | | | | |

Rate of Depreciation.—25 per cent off DIMINISHING VALUE.

EXERCISE V—No. 3.

MACHINERY ACCOUNT

Dr.

(FIRST METHOD)

Cr.

| | | £ | s. | d. | | | £ | s. | d. |
|--------|------------------|---------------|----|----|--------|--------------------------------------|---------------|----|----|
| Year 1 | To Cash . . . | 3,000 | — | — | Year 1 | By Depreciation . (10% of £3,000) | 300 | — | — |
| | | | | | | „ Balance c/d . | 2,700 | — | — |
| | | <u>£3,000</u> | — | — | | | <u>£3,000</u> | — | — |
| Year 2 | To Balance b/d . | 2,700 | — | — | Year 2 | By Depreciation . (10% of £2,700) | 270 | — | — |
| | „ Cash (June) . | 250 | — | — | | „ Balance c/d . | 2,680 | — | — |
| | | <u>£2,950</u> | — | — | | | <u>£2,950</u> | — | — |
| Year 3 | To Balance b/d . | 2,680 | — | — | Year 3 | By Depreciation . (10% of £2,680) | 268 | — | — |
| | „ Cash (March) . | 320 | — | — | | „ Balance c/d . | 2,732 | — | — |
| | | <u>£3,000</u> | — | — | | | <u>£3,000</u> | — | — |
| | To Balance b/d . | 2,732 | — | — | | | | | |

(SECOND METHOD)

| | | £ | s. | d. | | | £ | s. | d. |
|--------|------------------|---------------|----|----|--------|--------------------------------------|---------------|----|----|
| Year 1 | To Cash . . . | 3,000 | — | — | Year 1 | By Depreciation . (10% of £3,000) | 300 | — | — |
| | | | | | | „ Balance c/d . | 2,700 | — | — |
| | | <u>£3,000</u> | — | — | | | <u>£3,000</u> | — | — |
| Year 2 | To Balance b/d . | 2,700 | — | — | Year 2 | By Depreciation . (10% of £2,950) | 295 | — | — |
| | „ Cash (June) . | 250 | — | — | | „ Balance c/d . | 2,655 | — | — |
| | | <u>£2,950</u> | — | — | | | <u>£2,950</u> | — | — |
| Year 3 | To Balance b/d . | 2,655 | — | — | Year 3 | By Depreciation . (10% of £2,975) | 297 | 10 | — |
| | „ Cash (March) . | 320 | — | — | | „ Balance c/d . | 2,677 | 10 | — |
| | | <u>£2,975</u> | — | — | | | <u>£2,975</u> | — | — |
| | To Balance b/d . | 2,677 | 10 | — | | | | | |

EXERCISE V—No. 3 (contd.).

MACHINERY ACCOUNT
(THIRD METHOD)

| Dr. | | | | Cr. | | | |
|--------|----------------------|--------|-------|--------|-----------------------|--------|-------|
| | | £ | s. d. | | | £ | s. d. |
| Year 1 | To Cash . . . | 3,000 | — | Year 1 | By Depreciation . . . | 300 | — |
| | | | | | (10% of £3,000) | | |
| | | | | | „ Balance c/d . . . | 2,700 | — |
| | | £3,000 | — | | | £3,000 | — |
| Year 2 | To Balance b/d . . . | 2,700 | — | Year 2 | By Depreciation— | | |
| | „ Cash (June) . . . | 250 | — | | 10% of £2,700 £270 | | |
| | | | | | 5% of £250 £12½ | 282 | 10 |
| | | | | | „ Balance c/d . . . | 2,667 | 10 |
| | | £2,950 | — | | | £2,950 | — |
| Year 3 | To Balance b/d . . . | 2,667 | 10 | Year 3 | By Depreciation— | | |
| | „ Cash (March) . . . | 320 | — | | 10% of £2,667½ | 268 | 15 |
| | | | | | 7½% of £320 | 24 | — |
| | | | | | „ Balance c/d . . . | 2,696 | 15 |
| | | £2,987 | 10 | | | £2,987 | 10 |
| | To Balance b/d . . . | 2,696 | 15 | | | | |

EXERCISE V—No. 4.

LEASE ACCOUNT

| Dr. | | | | Cr. | | | |
|--------|----------------------|--------|-------|--------|-----------------------|--------|-------|
| | | £ | s. d. | | | £ | s. d. |
| Year 1 | To Cash . . . | 2,000 | — | Year 1 | By Depreciation . . . | 345 | 12 9 |
| | „ Interest . . . | 100 | — | | „ Balance c/d . . . | 1,754 | 7 3 |
| | | £2,100 | — | | | £2,100 | — |
| Year 2 | To Balance b/d . . . | 1,754 | 7 3 | Year 2 | By Depreciation . . . | 345 | 12 9 |
| | „ Interest . . . | 87 | 14 5 | | „ Balance c/d . . . | 1,498 | 8 11 |
| | | £1,842 | 1 8 | | | £1,842 | 1 8 |
| Year 3 | To Balance b/d . . . | 1,496 | 8 11 | Year 3 | By Depreciation . . . | 345 | 12 9 |
| | „ Interest . . . | 74 | 16 5 | | „ Balance c/d . . . | 1,225 | 12 7 |
| | | £1,571 | 5 4 | | | £1,571 | 5 4 |
| Year 4 | To Balance b/d . . . | 1,225 | 12 7 | Year 4 | By Depreciation . . . | 345 | 12 9 |
| | „ Interest . . . | 61 | 5 7 | | „ Balance c/d . . . | 941 | 5 5 |
| | | £1,286 | 18 2 | | | £1,286 | 18 2 |
| Year 5 | To Balance b/d . . . | 941 | 5 5 | Year 5 | By Depreciation . . . | 345 | 12 9 |
| | „ Interest . . . | 47 | 1 3 | | „ Balance c/d . . . | 642 | 13 11 |
| | | £988 | 6 8 | | | £988 | 6 8 |
| Year 6 | To Balance b/d . . . | 642 | 13 11 | Year 6 | By Depreciation . . . | 345 | 12 9 |
| | „ Interest . . . | 32 | 2 7 | | „ Balance c/d . . . | 329 | 3 9 |
| | | £674 | 16 6 | | | £674 | 16 6 |
| Year 7 | To Balance b/d . . . | 329 | 3 9 | Year 7 | By Depreciation . . . | 345 | 13 1 |
| | „ Interest . . . | 16 | 9 4 | | (Adjustment of 4d.) | | |
| | | £345 | 13 1 | | | £345 | 13 1 |

EXERCISE V—No. 5.

| Dr. | | LEASE ACCOUNT | | | | | | Cr. | |
|------------------|---------------|---------------|----|----|-------------------|--------------------------|-------|-----|----|
| Year 1 Jan. 1 | To Cash . . . | £ | s. | d. | Year 7 Dec. 31 | By Depreciation Fund A/c | £ | s. | d. |
| | | 2,000 | — | — | | | 2,000 | — | — |

| Dr. | | DEPRECIATION FUND ACCOUNT | | | | Cr. | | | |
|-------------------|---|---------------------------|----------|---------|-------------------|--|----------|----------|---------|
| Year 1 Dec. 31 | To Balance c/d . . . | £ 245 | s. 12 | d. 9 | Year 1 Dec. 31 | By Profit and Loss . . . | £ 245 | s. 12 | d. 9 |
| Year 2 Dec. 31 | To Balance c/d . . . | 503 | 11 | 2 | Year 2 Jan. 1 | By Balance b/d . . . | 245 | 12 | 9 |
| | | | | | Dec. 31 | " Cash (Interest) . . . | 12 | 5 | 8 |
| | | | | | " 31 | " Profit and Loss . . . | 245 | 12 | 9 |
| | | £503 | 11 | 2 | | | £503 | 11 | 2 |
| Year 3 Dec. 31 | To Balance c/d . . . | 774 | 7 | 6 | Year 3 Jan. 1 | By Balance b/d . . . | 503 | 11 | 2 |
| | | | | | Dec. 31 | " Cash (Interest) . . . | 25 | 3 | 7 |
| | | | | | " 31 | " Profit and Loss . . . | 245 | 12 | 9 |
| | | £774 | 7 | 6 | | | £774 | 7 | 6 |
| Year 4 Dec. 31 | To Balance c/d . . . | 1,058 | 14 | 8 | Year 4 Jan. 1 | By Balance b/d . . . | 774 | 7 | 6 |
| | | | | | Dec. 31 | " Cash (Interest) . . . | 38 | 14 | 5 |
| | | | | | " 31 | " Profit and Loss . . . | 245 | 12 | 9 |
| | | £1,058 | 14 | 8 | | | £1,058 | 14 | 8 |
| Year 5 Dec. 31 | To Balance c/d . . . | 1,357 | 6 | 2 | Year 5 Jan. 1 | By Balance b/d . . . | 1,058 | 14 | 8 |
| | | | | | Dec. 31 | " Cash (Interest) . . . | 52 | 18 | 9 |
| | | | | | " 31 | " Profit and Loss . . . | 245 | 12 | 9 |
| | | £1,357 | 6 | 2 | | | £1,357 | 6 | 2 |
| Year 6 Dec. 31 | To Balance c/d . . . | 1,670 | 16 | 3 | Year 6 Jan. 1 | By Balance b/d . . . | 1,357 | 6 | 2 |
| | | | | | Dec. 31 | " Cash (Interest) . . . | 67 | 17 | 4 |
| | | | | | " 31 | " Profit and Loss . . . | 245 | 12 | 9 |
| | | £1,670 | 16 | 3 | | | £1,670 | 16 | 3 |
| Year 7 Dec. 31 | To Balance . . . (Amount to transfer to LEASE A/c) | 2,000 | — | — | Year 7 Jan. 1 | By Balance b/d . . . | 1,670 | 16 | 3 |
| | | | | | Dec. 31 | " Cash (Interest) . . . | 83 | 10 | 10 |
| | | | | | " 31 | " Profit and Loss . . . (Adjustment of 2d.) | 245 | 12 | 11 |
| | | £2,000 | — | — | | | £2,000 | — | — |

EXERCISE V—No. 5 (contd.).

Dr. DEPRECIATION FUND INVESTMENT ACCOUNT Cr.

| | | | | | | | | | |
|-------------------|-------------------------------------|----------|----------|---------|-------------------|---|----------|----------|---------|
| Year 1 Dec. 31 | To Cash . . . | £ 245 | s. 12 | d. 9 | Year 1 Dec. 31 | By Balance c/d . . | £ 245 | s. 12 | d. 9 |
| Year 2 Jan. 1 | To Balance b/d . . | 245 | 12 | 9 | Year 2 Dec. 31 | By Balance c/d . . | 503 | 11 | 2 |
| Dec. 31 | „ Cash (Instalment and Interest) | 257 | 18 | 5 | | | | | |
| | | £503 | 11 | 2 | | | £503 | 11 | 2 |
| Year 3 Jan. 1 | To Balance b/d . . | 503 | 11 | 2 | Year 3 Dec. 31 | By Balance c/d . . | 774 | 7 | 6 |
| Dec. 31 | „ Cash . . . | 270 | 16 | 4 | | | | | |
| | | £774 | 7 | 6 | | | £774 | 7 | 6 |
| Year 4 Jan. 1 | To Balance b/d . . | 774 | 7 | 6 | Year 4 Dec. 31 | By Balance c/d . . | 1,058 | 14 | 8 |
| | „ Cash . . . | 284 | 7 | 2 | | | | | |
| | | £1,058 | 14 | 8 | | | £1,058 | 14 | 8 |
| Year 5 Jan. 1 | To Balance b/d . . | 1,058 | 14 | 8 | Year 5 Dec. 31 | By Balance c/d . . | 1,357 | 6 | 2 |
| | „ Cash . . . | 298 | 11 | 6 | | | | | |
| | | £1,357 | 6 | 2 | | | £1,357 | 6 | 2 |
| Year 6 Jan. 1 | To Balance b/d . . | 1,357 | 6 | 2 | Year 6 Dec. 31 | By Balance c/d . . | 1,670 | 16 | 3 |
| | „ Cash . . . | 313 | 10 | 1 | | | | | |
| | | £1,670 | 16 | 3 | | | £1,670 | 16 | 3 |
| Year 7 Jan. 1 | To Balance b/d . . | 1,670 | 16 | 3 | Year 7 Dec. 31 | By Cash . . . | 2,000 | - | - |
| | „ Cash . . . | 329 | 3 | 9 | | (Proceeds of realization of investments) | | | |
| | | £2,000 | - | - | | | £2,000 | - | - |

Dr.

CASH ACCOUNT

Cr.

| | | | | Bank. | | | | | | | Bank. | | | |
|--------|--|----|----|-------|--------|---|-----|----|----|--|-------|---|----|----|
| | | £ | s. | d. | | | £ | s. | d. | | | £ | s. | d. |
| Year 2 | To Depreciation Fund A/c (Interest on first year's investment) | 12 | 5 | 8 | Year 1 | By Depreciation Fund Investment A/c | 245 | 12 | 9 | | | | | |
| | | | | | Year 2 | " Depreciation Fund Investment A/c | 257 | 18 | 5 | | | | | |
| | | | | | | (Investment of CASH equal to SECOND year's instalment PLUS inter- est on FIRST year's instalment) | | | | | | | | |

And similar entries for later years.

- EXERCISE V—Nos. {
6. The correct procedure is explained on pages 140 and 141 of *Advanced Accounts*.
 7. The answer to this question is in Answers at end of *Advanced Accounts*.
 8. The answer to this question is in Answers at end of *Advanced Accounts*.

EXERCISE V—No. 9.

Dr. REPAIRS AND RENEWALS RESERVE ACCOUNT *Cr.*

| | | £ | s. | d. | | | £ | s. | d. |
|--------|----------------------|------|----|----|--------|--------------------------|----------------|----|----|
| Year 1 | To Balance c/d . . . | 200 | — | — | Year 1 | By Profit and Loss . . . | 200 | — | — |
| Year 2 | To Repairs A/c . . . | 159 | 17 | 9 | Year 2 | By Balance b/d . . . | 200 | — | — |
| | „ Balance c/d . . . | 40 | 2 | 3 | | „ <i>P+L A/c</i> . . . | 200 | — | — |
| | | £200 | — | — | | | £200 | — | — |
| Year 3 | To Repairs . . . | 125 | 14 | 6 | Year 3 | By Balance b/d . . . | 40 | 2 | 3 |
| | „ Balance c/d . . . | 114 | 7 | 9 | | „ Profit and Loss . . . | 200 | — | — |
| | | £240 | 2 | 3 | | | £240 | 2 | 3 |
| Year 4 | To Repairs . . . | 269 | 15 | 3 | Year 4 | By Balance b/d . . . | 114 | 7 | 9 |
| | „ Balance c/d . . . | 44 | 12 | 6 | | „ Profit and Loss . . . | 200 | — | — |
| | | £314 | 7 | 9 | | | £314 | 7 | 9 |
| Year 5 | To Repairs . . . | 225 | 16 | 11 | Year 5 | By Balance b/d . . . | 44 | 12 | 6 |
| | „ Balance c/d . . . | 18 | 15 | 7 | | „ Profit and Loss . . . | 200 | — | — |
| | | £244 | 12 | 6 | | | £244 | 12 | 6 |
| | | | | | Year 6 | By Balance b/d . . . | 18 | 15 | 7 |

Dr.

REPAIRS ACCOUNT

Cr.

| | | £ | s. | d. | | | £ | s. | d. |
|--------|---------------|------|----|----|--------|-----------------------------|------|----|----|
| Year 2 | To Cash . . . | 159 | 17 | 9 | Year 2 | By Reps. & Renwls. Res. . . | 159 | 17 | 9 |
| Year 3 | To Cash . . . | £125 | 14 | 6 | Year 3 | By Reps. & Renwls. Res. . . | £125 | 14 | 6 |
| Year 4 | To Cash . . . | £269 | 15 | 3 | Year 4 | By Reps. & Renwls. Res. . . | £269 | 15 | 3 |
| Year 5 | To Cash . . . | £225 | 16 | 11 | Year 5 | By Reps. & Renwls. Res. . . | £225 | 16 | 11 |

EXERCISE V—No. 9 (contd.).

JOURNAL ENTRIES

| | | £ | s. | d. | £ | s. | d. |
|--------|------------------------------------|--------|----|----|--------|----|----|
| Year 1 | Profit and Loss A/c | 200 | — | — | | | |
| | To Repairs and Renewals Res. A/c . | | | | 200 | — | — |
| „ 2 | Repairs and Renewals Reserve A/c . | 159 | 17 | 9 | | | |
| | To Repairs | | | | 159 | 17 | 9 |
| | Profit and Loss A/c | 200 | — | — | | | |
| | To Repairs and Renewals Res. A/c . | | | | 200 | — | — |
| „ 3 | Repairs and Renewals Reserve A/c . | 125 | 14 | 6 | | | |
| | To Repairs | | | | 125 | 14 | 6 |
| | Profit and Loss A/c | 200 | — | — | | | |
| | To Repairs and Renewals Res. A/c . | | | | 200 | — | — |
| „ 4 | Repairs and Renewals Reserve A/c . | 269 | 15 | 3 | | | |
| | To Repairs | | | | 269 | 15 | 3 |
| | Profit and Loss A/c | 200 | — | — | | | |
| | To Repairs and Renewals Res. A/c . | | | | 200 | — | — |
| „ 5 | Repairs and Renewals Reserve A/c . | 225 | 16 | 11 | | | |
| | To Repairs | | | | 225 | 16 | 11 |
| | Profit and Loss A/c | 200 | — | — | | | |
| | To Repairs and Renewals Res. A/c . | | | | 200 | — | — |
| | | £1,781 | 4 | 5 | £1,781 | 4 | 5 |

BALANCE SHEET (AT END OF YEAR)

| | LIABILITIES. | £ | s. | d. |
|--------|--|------|----|----|
| Year 1 | Repairs and Renewals Reserve Account | 200 | — | — |
| „ 2 | Repairs and Renewals Reserve Account | £40 | 2 | 3 |
| „ 3 | Repairs and Renewals Reserve Account | £114 | 7 | 9 |
| „ 4 | Repairs and Renewals Reserve Account | £44 | 12 | 6 |
| „ 5 | Repairs and Renewals Reserve Account | £18 | 15 | 7 |

EXERCISE V—No. 10.

The principal reason for Compound Interest being taken into consideration is on account of the expense of upkeep in the earlier years, being small in comparison with the charges for dilapidations that arise during later years.

EXERCISE V—No. 11.

| Dr. | | | | | | SINKING FUND ACCOUNT | | | | | | Cr. | | | | | |
|--------|------------------------------------|------------|--------|----|----|----------------------|------------------|------------|--------|----|----|-----|--|---|---|----|----|
| | | £ | £ | s. | d. | | | £ | £ | s. | d. | | | £ | £ | s. | d. |
| Year 1 | To Balance c/d | 188-400 | 188 | 8 | — | Year 1 | By Profit & Loss | 188-400 | 188 | 8 | — | | | | | | |
| Year 2 | To Balance c/d | 382-452 | 382 | 9 | — | Year 2 | By Balance b/d | 188-400 | 188 | 8 | — | | | | | | |
| | | | | | | | „ Interest | 5-652 | 5 | 13 | — | | | | | | |
| | | | | | | | „ Profit & Loss | 188-400 | 188 | 8 | — | | | | | | |
| | | £382-452 | 382 | 9 | — | | | £382-452 | £382 | 9 | — | | | | | | |
| Year 3 | To Balance c/d | 582-326 | 582 | 6 | 6 | Year 3 | By Balance b/d | 382-452 | 382 | 9 | — | | | | | | |
| | | | | | | | „ Interest | 11-474 | 11 | 9 | 6 | | | | | | |
| | | | | | | | „ Profit & Loss | 188-400 | 188 | 8 | — | | | | | | |
| | | £582-326 | £582 | 6 | 6 | | | £582-326 | £582 | 6 | 6 | | | | | | |
| Year 4 | To Balance c/d | 788-196 | 788 | 3 | 11 | Year 4 | By Balance b/d | 582-326 | 582 | 6 | 6 | | | | | | |
| | | | | | | | „ Interest | 17-470 | 17 | 9 | 5 | | | | | | |
| | | | | | | | „ Profit & Loss | 188-400 | 188 | 8 | — | | | | | | |
| | | £788-196 | 788 | 3 | 11 | | | £788-196 | £788 | 3 | 11 | | | | | | |
| Year 5 | To Amount transferred to Lease A/c | 1,000-000 | 1,000 | — | — | Year 5 | By Balance b/d | 788-196 | 788 | 3 | 11 | | | | | | |
| | | | | | | | „ Interest | 23-646 | 23 | 12 | 11 | | | | | | |
| | | | | | | | „ Profit & Loss | 188-158 | 188 | 3 | 2 | | | | | | |
| | £ | £1,000-000 | £1,000 | — | — | | | £1,000-000 | £1,000 | — | — | | | | | | |

| Dr. | | SINKING FUND INVESTMENT ACCOUNT | | | | | | Cr. | | | |
|--------|-----------------|---------------------------------|----------|---------|---------|--------|--|--------------|----------|---------|---------|
| Year 1 | To Cash . . . | £ 188-400 | £ 188 | s. 8 | d. — | Year 1 | By Balance c/d | £ 188-400 | £ 188 | s. 8 | d. — |
| Year 2 | To Balance b/d. | 188-400 | 188 | 8 | — | Year 2 | „ Balance c/d | 382-452 | 382 | 9 | — |
| | „ Cash (a) . . | 194-052 | 194 | 1 | — | | | | | | |
| | | £382-452 | £382 | 9 | — | | | £382-452 | £382 | 9 | — |
| Year 3 | To Balance b/d. | 382-452 | 382 | 9 | — | Year 3 | By Balance c/d | 582-326 | 582 | 6 | 6 |
| | „ Cash . . . | 199-874 | 199 | 17 | 6 | | | | | | |
| | | £582-326 | £582 | 6 | 6 | | | £582-326 | £582 | 6 | 6 |
| Year 4 | To Balance b/d. | 582-326 | 582 | 6 | 6 | Year 4 | By Balance c/d | 788-196 | 788 | 3 | 11 |
| | „ Cash . . . | 205-870 | 205 | 17 | 5 | | | | | | |
| | | £788-196 | £788 | 3 | 11 | | | £788-196 | £788 | 3 | 11 |
| Year 5 | To Balance b/d. | 788-196 | 788 | 3 | 11 | Year 5 | By Cash . . . | 1,000-000 | 1,000 | — | — |
| | „ Cash . . . | 211-804 | 211 | 16 | 1 | | (Proceeds of realization of investments) | | | | |
| | | | | | | | | | | | |
| | | £1,000-000 | £1,000 | — | — | | | £1,000-000 | £1,000 | — | — |

(a) The sum includes Interest on FIRST year's investment.

Note.—The question requests that the "Accounts" be raised for 3 years. It has been thought an advantage to teachers to show the complete workings, with the alternative workings in parallel columns.

EXERCISE V—No. 11 (*contd.*).

| <i>Dr.</i> | | | INTEREST ACCOUNT | | | <i>Cr.</i> | | |
|------------|---------------------|------------|------------------|-----------------|------------|------------|--|--|
| Year 2 | To Sinking Fund A/c | £ 5 13 - | Year 2 | By Cash | £ 5 13 - | | | |
| Year 3 | To Sinking Fund A/c | £ 11 9 6 | Year 3 | By Cash | £ 11 9 6 | | | |
| Year 4 | To Sinking Fund A/c | £ 17 9 5 | Year 4 | By Cash | £ 17 9 5 | | | |
| Year 5 | To Sinking Fund A/c | £ 23 12 11 | Year 5 | By Cash | £ 23 12 11 | | | |

EXERCISE V—No. 12.

See *Advanced Accounts*, pages 152 and 153 (under "Secret Reserves").

EXERCISE V—No. 13. ✓

| <i>Dr.</i> | | | OLD PLANT ACCOUNT | | | <i>Cr.</i> | | |
|------------|--------------------|-------------|-------------------|--------------------------|-------------|------------|--|--|
| 19.. | To Balance | £ 5,400 - - | 19.. | By Depreciation Fund A/c | £ 1,050 - - | | | |
| | | | | „ A B & Co. . . . | 550 - - | | | |
| | | | | „ Cash | 1,200 - - | | | |
| | | | | „ Profit and Loss . . | 2,600 - - | | | |
| | | £ 5,400 - - | | | £ 5,400 - - | | | |

| <i>Dr.</i> | | | NEW PLANT ACCOUNT | | | <i>Cr.</i> | | |
|------------|--------------------|-------------|-------------------|--|--|------------|--|--|
| 19.. | To A B & Co. . . . | £ 8,850 - - | | | | | | |

| <i>Dr.</i> | | | A B & CO. | | | <i>Cr.</i> | | |
|------------|-----------------------|-------------|-----------|------------------------|-------------|------------|--|--|
| 19.. | To Old Plant | £ 550 - - | 19.. | By New Plant | £ 8,850 - - | | | |
| | „ Balance c/d | 8,300 - - | | | | | | |
| | | £ 8,850 - - | | | £ 8,850 - - | | | |
| | | | | By Balance b/d | 8,300 - - | | | |

| <i>Dr.</i> | | | DEPRECIATION FUND ACCOUNT | | | <i>Cr.</i> | | |
|------------|--------------------------|-------------|---------------------------|--------------------|-------------|------------|--|--|
| 19.. | To Old Plant A/c | £ 1,050 - - | 19.. | By Balance | £ 1,050 - - | | | |

| <i>Dr.</i> | | | PROFIT AND LOSS ACCOUNT | | | <i>Cr.</i> | | |
|------------|----------------------|-------------|-------------------------|--|--|------------|--|--|
| 19.. | To Old Plant | £ 2,600 - - | | | | | | |

EXERCISE V—No. 14.

See *Advanced Accounts*, pages 140 and 141 (under "Insurance Policy System").

EXERCISE V—No. 15. ✓

PLANT ACCOUNT

Dr. (Depreciation at 5% on original cost) *Cr.*

| 1930 | | £ | s. d. | 1930 | | £ | s. d. |
|--------|----------------------|--------|-------|---------|------------------------|--------|-------|
| Jan. 1 | To Purchases . . . | 2,000 | - - | Dec. 31 | By Depreciation . . . | 100 | - - |
| | | | | " 31 | " Balance c/d . . . | 1,900 | - - |
| | | £2,000 | - - | | | £2,000 | - - |
| 1931 | | | | 1931 | | | |
| Jan. 1 | To Balance b/d . . . | 1,900 | - - | Dec. 31 | By Sales . . . | 180 | - - |
| July 1 | " Purchases . . . | 400 | - - | " 31 | " Loss on Sales . . . | 110 | - - |
| | | | | " 31 | " Depreciation— | | |
| | | | | | £2,000 for 12 mos. . . | 100 | - - |
| | | | | | £400 for 6 mos. . . | 10 | - - |
| | | | | " 31 | " Balance c/d . . . | 1,920 | - - |
| | | £2,300 | - - | | | £2,300 | - - |
| 1932 | | | | 1932 | | | |
| Jan. 1 | To Balance b/d . . . | 1,920 | - - | Dec. 31 | By Depreciation— | | |
| Apr. 1 | " Purchases . . . | 280 | - - | | £1,100 for 12 mos. . . | 105 | - - |
| | | | | | £280 for 9 mos. . . | 10 | 10 |
| | | | | " 31 | " Balance c/d . . . | 2,084 | 10 |
| | | £2,200 | - - | | | £2,200 | - - |
| 1933 | | | | 1933 | | | |
| Jan. 1 | To Balance b/d . . . | 2,084 | 10 - | Oct. 1 | By Sales . . . | 70 | - - |
| | | | | " 1 | " Loss on Sales . . . | 36 | 10 |
| | | | | Dec. 31 | " Depreciation— | | |
| | | | | | £2,260 for 12 mos. . . | 113 | - - |
| | | | | | £120 for 9 mos. . . | 4 | 10 |
| | | | | " 31 | " Balance c/d . . . | 1,880 | 10 |
| | | £2,084 | 10 - | | | £2,084 | 10 - |
| 1934 | | | | 1934 | | | |
| Jan. 1 | To Balance b/d . . . | 1,860 | 10 - | Dec. 31 | By Depreciation— | | |
| | | | | | £2,260 for 12 mos. . . | 113 | - - |
| | | | | " 31 | " Balance c/d . . . | 1,747 | 10 - |
| | | £1,860 | 10 - | | | £1,860 | 10 - |
| 1935 | | | | | | | |
| Jan. 1 | To Balance b/d . . . | 1,747 | 10 - | | | | |

EXERCISE V—No. 15 (*cont'd.*).

PLANT ACCOUNT

Dr. (Depreciation at 7½% on diminishing value)*Cr.*

| | | £ | s. d. | | | £ | s. d. |
|--------|----------------------|--------|-------|---------|---------------------------|--------|-------|
| 1930 | | | | 1930 | | | |
| Jan. 1 | To Purchases . . . | 2,000 | - - | Dec. 31 | By Depreciation— | | |
| | | | | | 7½% of £2,000 . . . | 150 | - - |
| | | | | " 31 | " Balance c/d . . . | 1,850 | - - |
| | | £2,000 | - - | | | £2,000 | - - |
| 1931 | | | | 1931 | | | |
| Jan. 1 | To Balance b/d . . . | 1,850 | - - | Dec. 31 | By Sales . . . | 160 | - - |
| July 1 | " Purchases . . . | 400 | - - | " 31 | " Loss on Sales . . . | 96 | 13 10 |
| | | | | " 31 | " Depreciation— | | |
| | | | | | £1,850 for 12 mos. . . | 138 | 15 - |
| | | | | " 31 | £400 for 6 mos. . . | 15 | - - |
| | | | | " 31 | " Balance c/d . . . | 1,839 | 11 2 |
| | | £2,250 | - - | | | £2,250 | - - |
| 1932 | | | | 1932 | | | |
| Jan. 1 | To Balance b/d . . . | 1,839 | 11 2 | Dec. 31 | By Depreciation— | | |
| Apr. 1 | " Purchases . . . | 280 | - - | | £1,839/1/2 for 12 m. . . | 137 | 19 4 |
| | | | | " 31 | £280 for 9 mos. . . | 15 | 15 - |
| | | | | " 31 | " Balance c/d . . . | 1,965 | 16 10 |
| | | £2,119 | 11 2 | | | £2,119 | 11 2 |
| 1933 | | | | 1933 | | | |
| Jan. 1 | To Balance b/d . . . | 1,965 | 16 10 | Oct. 1 | By Sale . . . | 70 | - - |
| | | | | " 1 | " Loss on Sale . . . | 30 | 16 6 |
| | | | | Dec. 31 | " Depreciation— | | |
| | | | | | £1,965/16/10 for 9 m. . . | 110 | 11 6 |
| | | | | " 31 | £1,865/0/4 for 3 mos. . . | 34 | 19 4 |
| | | | | " 31 | " Balance c/d . . . | 1,719 | 9 6 |
| | | £1,965 | 16 10 | | | £1,965 | 16 10 |
| 1934 | | | | 1934 | | | |
| Jan. 1 | To Balance b/d . . . | 1,719 | 9 6 | Dec. 31 | By Depreciation— | | |
| | | | | | £1,719/9/6 for 12 m. . . | 128 | 19 2 |
| | | | | " 31 | " Balance c/d . . . | 1,590 | 10 4 |
| | | £1,719 | 9 6 | | | £1,719 | 9 6 |
| 1935 | | | | | | | |
| Jan. 1 | To Balance b/d . . . | 1,590 | 10 4 | | | | |

EXERCISE V—No. 16.

See *Advanced Accounts*, pages 125 (under "Fixed Instalment Method"), 131 (under "Annuity System"), 133 (under "Depreciation Fund Principle"), and 140 (under "Insurance Policy System").

EXERCISE V—No. 17.

See *Advanced Accounts*, page 140 (under "Insurance Policy System") and onwards.

EXERCISE V—No. 18. ✓

| <i>Dr.</i> | | DEBENTURE RESERVE FUND ACCOUNT | | | | <i>Cr.</i> | | | |
|-----------------|-------------------------|--------------------------------|---------|---------|-----------------|------------------|-------------|---------|---------|
| 19.. June 30 | To Capital Reserve A/c. | £ 50,000 | s. — | d. — | 19.. June 30 | By Balance . . . | £ 50,000 | s. — | d. — |

| <i>Dr.</i> | | DEBENTURES REDEEMED ACCOUNT | | | | <i>Cr.</i> | | | |
|-----------------|------------------|-----------------------------|---------|---------|-----------------|-------------------------|-------------|---------|---------|
| 19.. June 30 | To Cash. | £ 50,000 | s. — | d. — | 19.. June 30 | By Debentures | £ 50,000 | s. — | d. — |

| <i>Dr.</i> | | DEBENTURES ACCOUNT | | | | <i>Cr.</i> | | | |
|-----------------|-----------------------------------|--------------------|---------|---------|----------------|----------------------|-------------|---------|---------|
| 19.. June 30 | To Debentures Redeemed Account | £ 50,000 | s. — | d. — | 19.. June 1 | By Debenture Holders | £ 50,000 | s. — | d. — |

| INVESTMENTS ACCOUNT | | | | | | | | | | | | |
|---------------------|----------------------|--|--|----------------|--------|------------|---------|-------------------------|--|--------|--------|----|
| <i>Dr.</i> | | | | (2½ % Consols) | | <i>Cr.</i> | | | | | | |
| 19.. | | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| June 30 | To Balance | | | 59,000 | — | — | June 30 | By Cash | | 48,970 | — | — |
| | | | | | | | " 30 | " Profit and Loss . . . | | 10,030 | — | — |
| | | | | £ | 59,000 | — | | | | £ | 59,000 | — |
| | | | | | | | | | | | | |

EXERCISE V—No. 18 (*contd.*).

| <i>Dr.</i> | | CAPITAL RESERVE ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|--|-------------------------|--|--|-----------------|------------------------|--------------------|----------------|----------------|
| | | | | | 19.. June 30 | By Debenture Res. Fund | <u>£</u> 50,000 | <u>s.</u> — | <u>d.</u> — |

| <i>Dr.</i> | | PROFIT AND LOSS ACCOUNT | | | | | | <i>Cr.</i> | |
|-----------------|--------------------|-------------------------|----------------|----------------|--|--|--|------------|--|
| 19.. June 30 | To Investments A/c | <u>£</u> 10,030 | <u>s.</u> — | <u>d.</u> — | | | | | |

| <i>Dr.</i> | | CASH BOOK | | | | | | <i>Cr.</i> | |
|-----------------|-------------------|--------------------|----------------|----------------|-----------------|-----------------------------------|--------------------|----------------|----------------|
| | | | Bank. | | | | | Bank. | |
| 19.. June 30 | To Balance . | <u>£</u> 6,000 | <u>s.</u> — | <u>d.</u> — | 19.. June 30 | By Debentures Redeem'd Account | <u>£</u> 50,000 | <u>s.</u> — | <u>d.</u> — |
| " 30 | " Investments A/c | <u>48,970</u> | — | — | " 30 | " Balance c/d | <u>4,970</u> | — | — |
| | | <u>£</u> 54,970 | — | — | | | <u>£</u> 54,970 | — | — |
| June 30 | To Balance b/d | <u>4,970</u> | — | — | | | | | |

EXERCISE V—No. 19.

The insurance premiums paid must be estimated as worth only "surrender value."

| <i>Dr.</i> | | INVESTMENT ACCOUNT | | | | | | <i>Cr.</i> | |
|-----------------|---------|--------------------|-----------------|----------------|-----------------|-------------|-------------------|----------------|----------------|
| | | | Amount Assured. | Premiums Paid. | | | Amount Assured. | Premiums Paid. | |
| 19.. June 30 | To Cash | <u>£</u> 1,000 | <u>s.</u> — | <u>d.</u> — | 19.. June 30 | By Bal. c/d | <u>£</u> 1,000 | <u>s.</u> — | <u>d.</u> — |
| | | <u>250</u> | — | — | | | <u>250</u> | — | — |

EXERCISE V—No. 19 (*contd.*).

| Dr. INVESTMENT REDEMPTION FUND ACCOUNT | | | | | Cr. | | |
|--|--|--|--|--|----------------------|-------|-------|
| 19.. | | | | | By Appropriation A/c | £ 250 | s. d. |
| | | | | | | | |

| APPROPRIATION ACCOUNT | | | | CASH BOOK | | | |
|-----------------------|-----------------------------------|-------|-------|---------------|--|-------|-------|
| (DEBIT SIDE) | | | | (CREDIT SIDE) | | | |
| 19.. | To Investment Redemption Fund A/c | £ 250 | s. d. | 19.. | By Investment A/c (For insurance premium paid) | £ 250 | s. d. |
| | | | | | | | |

EXERCISE V—No. 20.

See *Advanced Accounts*, page 151 (under "Marine Insurance Fund").

EXERCISE V—No. 21.

See *Advanced Accounts*, page 150.

EXERCISE V—No. 22.

See Answers at end of *Advanced Accounts*.

EXERCISE V—No. 23.

See *Advanced Accounts*, pages 124 to 131 (inclusive).

- EXERCISE V—Nos. {
- 24. See Answers at end of *Advanced Accounts*.
 - 25. The definitions are given and differentiated on page 150 onwards of *Advanced Accounts*.
 - 26. See *Advanced Accounts*, pages 124 to 131 (inclusive), and 150 and 151.
 - 27. See Answers at end of *Advanced Accounts*.
 - 28. (a) See *Advanced Accounts*, page 127 (under "Diminishing Balance Method").
 - (b) See *Advanced Accounts*, pages 131 to 133 (at foot of page, under "Annuity Method").

EXERCISE V—No. 29.

JOURNAL

| | | | | | | |
|------|-----------------------|-----|---------|-------|---------|-------|
| 19.. | Appropriation Account | Dr. | £ 1,275 | s. d. | £ 1,275 | s. d. |
| | To Reserve Fund | | | | | |
| | | | £ 1,275 | - - | £ 1,275 | - - |

EXERCISE V—No. 29 (contd.).

INVESTMENTS ACCOUNT

(£1,500 @ 85)

| Dr. | | | | Cr. | | | |
|------|---------------|-------|-------|-----|--|--|--|
| 19.. | To Cash . . . | £ | s. d. | | | | |
| | | 1,275 | - - | | | | |

RESERVE FUND ACCOUNT

| Dr. | | | | Cr. | | | |
|-----|--|--|--|------|------------------------|-------|-------|
| | | | | 19.. | By Appropriation A/c . | £ | s. d. |
| | | | | | | 1,275 | - - |

CASH ACCOUNT

| Dr. | | | | Cr. | | | |
|------|--------------------|--------|-------|------|------------------|--------|-------|
| | | Bank. | | | | Bank. | |
| 19.. | To Balance . . . | £ | s. d. | 19.. | By Investments . | £ | s. d. |
| | | 6,000 | - - | | (£1,500 @ 85) | 1,275 | - - |
| | | | | | " Balance c/d . | 4,725 | - - |
| | | £6,000 | - - | | | £6,000 | - - |
| | To Balance b/d . . | 4,725 | - - | | | | |

APPROPRIATION ACCOUNT

| Dr. | | | | Cr. | | | |
|------|-------------------------|--------|-------|------|------------------|--------|-------|
| 19.. | To Reserve Fund . | £ | s. d. | 19.. | By Balance . . . | £ | s. d. |
| | " Bal. to Balance Sheet | 1,275 | - - | | | 2,500 | - - |
| | | 1,225 | - - | | | | |
| | | £2,500 | - - | | | £2,500 | - - |

EXERCISE V—No. 29 (*contd.*).

JOHN BROWN, LTD.

BALANCE SHEET

| LIABILITIES. | | | | ASSETS. | | | |
|--|----------|----|----|----------------------|----------|----|----|
| | £ | s. | d. | | £ | s. | d. |
| Capital . . . | 10,000 | — | — | Stock. . . | 5,000 | — | — |
| Reserve Fund . . | 1,275 | — | — | Sundry Debtors . . | 2,500 | — | — |
| Bills Payable . . | 800 | — | — | Bills Receivable . . | 1,200 | — | — |
| Sundry Creditors. . | 1,400 | — | — | Investments . . | 1,275 | — | — |
| <i>Profit and Loss A/c—</i> | | | | (2½% Consols) | | | |
| Balance available for distribution . . | 1,225 | — | — | Cash at Bank . . | 4,725 | — | — |
| | £ 14,700 | — | — | | £ 14,700 | — | — |

EXERCISE V—No. 30.

- (a) See *Advanced Accounts*, pages 144 to 148 (inclusive).
 (b) See *Advanced Accounts*, page 137.

EXERCISE VI—No. 1.

Dr.

CASH BOOK

Cr.

| Nos. | | | Disct. | | | Bank. | | | Nos. | | | Disct. | | | Bank. | | |
|------|----|---|--------|----|----|-------|----|----|------|----|--|--------|----|----|-------|----|----|
| 19.. | 7 | To Bills Recble. (N. Notley's) | £ | s. | d. | £ | s. | d. | 19.. | 1 | By R. Red . . | £ | s. | d. | £ | s. | d. |
| | 12 | " Bills Recble. (Henry & Co.'s P/N) . | | | | 120 | — | — | | 7 | " Bkrs.' Disct. . | | | | 30 | — | — |
| | 16 | " Bills Recble. (G.Graham's) | | | | 40 | — | — | | 10 | " N. Norfolk— (sight draft) | | | | 125 | — | — |
| | | | | | | 150 | — | — | | 15 | " Bills Payable (P/N to M. Martin) . . | | | | 120 | — | — |
| | | | | | | | | | | 16 | " Bkrs.' Disct. (3¼% for 3m.) | | | | 1 | 8 | 2 |
| | | | | | | | | | | 17 | " Perrier Frères: 7 dy.'sght.dft. | | | | 100 | — | — |

EXERCISE VI—No. 1 (*contd.*).

JOURNAL ENTRIES

| | | £ | s. | d. | £ | s. | d. |
|------|-------------------------------|-------|----|----|-------|----|----|
| (1) | Bills Receivable. | 30 | — | — | | | |
| | To R. Red | | | | 30 | — | — |
| (2) | Francis & Co. | 200 | — | — | | | |
| | To Bills Payable | | | | 200 | — | — |
| (3) | Blue & Co. | 95 | — | — | | | |
| | To Bills Payable | | | | 95 | — | — |
| (4) | Purchases Account | 150 | — | — | | | |
| | To Sharp & Co. | | | | 150 | — | — |
| | Sharp & Co. | 150 | — | — | | | |
| | To Bills Payable | | | | 142 | 10 | — |
| | „ Discount | | | | 7 | 10 | — |
| (5) | Ridler & Son | 90 | — | — | | | |
| | To Bills Payable | | | | 90 | — | — |
| (6) | Bills Receivable. | 120 | — | — | | | |
| | To S. Straker | | | | 120 | — | — |
| (8) | Bills Receivable. | 120 | — | — | | | |
| | To M. Monk | | | | 120 | — | — |
| (9) | Bills Receivable. | 190 | — | — | | | |
| | Discount | 10 | — | — | | | |
| | To Green & Co. | | | | 200 | — | — |
| (11) | Bills Receivable. | 420 | — | — | | | |
| | To J. Rowell | | | | 420 | — | — |
| | M. Goodman | 420 | — | — | | | |
| | To Bills Receivable | | | | 420 | — | — |
| (13) | B. Blunt | 120 | — | — | | | |
| | To Sales | | | | 120 | — | — |
| | Bills Receivable. | 117 | — | — | | | |
| | Discount | 3 | — | — | | | |
| | To B. Blunt | | | | 120 | — | — |
| (14) | York & Sons | 150 | — | — | | | |
| | To Sales | | | | 150 | — | — |
| | Bills Payable | 150 | — | — | | | |
| | To York & Sons | | | | 150 | — | — |
| (18) | Dark & Co. | 300 | — | — | | | |
| | To Bills Payable | | | | 285 | — | — |
| | „ Discount | | | | 15 | — | — |
| | | £2835 | — | — | £2835 | — | — |

EXERCISE VI—No. 1 (19).

(a) An example of a bill of exchange which is a "negotiable instrument" is as shown on page 159 of *Advanced Accounts*. The accounts necessary to adequately record the transactions it involves are detailed below

| | | |
|-----------------|---|--|
| 19.. Jan. 17 | (1) <i>In J. Rowell's Books</i> JOURNAL Bills Receivable . . . Dr. £250 To M. Goodman . . . Cr. £250 | LEDGER Accounts will be raised for— Bills Receivable: M. Goodman M. Bressloff |
| .. 17 | M. Bressloff . . . Dr. £250 To Bills Receivable . . Cr. £250 | |
| 19.. Jan. 17 | (2) <i>In M. Goodman's Books</i> JOURNAL J. Rowell . . . Dr. £250 To Bills Payable . . . Cr. £250 | LEDGER Accounts will be raised for— Bills Payable: J. Rowell |
| 19.. Jan. 17 | (3) <i>In M. Bressloff's Books</i> JOURNAL Bills Receivable . . . Dr. £250 To J. Rowell . . . Cr. £250 | LEDGER Accounts will be raised for— Bills Receivable: J. Rowell |

(b) *In the Drawer's Ledger.*

| Dr. | | BILLS RECEIVABLE ACCOUNT | | | | | | Cr. | |
|-----|---|--------------------------|----|----|--|---|-----|-----|----|
| | | £ | s. | d. | | By K | £ | s. | d. |
| | | | | | | | 100 | - | - |
| Dr. | | B | | | | | | Cr. | |
| | To K " K (for Noting Charges) . . | £ | s. | d. | | | £ | s. | d. |
| | | 100 | - | - | | | | | |
| | | | 7 | 6 | | | | | |
| Dr. | | K | | | | | | Cr. | |
| | To Bills Receivable . | £ | s. | d. | | By B " B (for Noting Charges) . . | £ | s. | d. |
| | | 100 | - | - | | | 100 | - | - |
| | | | | | | | | 7 | 6 |

In K's Ledger

| Dr. | BILLS RECEIVABLE ACCOUNT | | | | | | Cr. | |
|-----------------|--------------------------|----|----|--|-----------------|-----|-----|----|
| To Drawer . . . | £ | s. | d. | | By Drawer . . . | £ | s. | d. |
| | 100 | - | - | | | 100 | - | - |

EXERCISE VI—No. 1 (19) (*contd.*).

| <i>Dr.</i> | | DRAWER'S ACCOUNT | | | | | | <i>Cr.</i> | | |
|------------|---------------------|------------------|----|----|--|--|---------------------|------------|----|----|
| | To Bills Receivable | £ | s. | d. | | | By Bills Receivable | £ | s. | d. |
| | „ Noting Charges | 100 | 7 | 6 | | | | 100 | — | — |

| <i>Dr.</i> | | NOTING CHARGES ACCOUNT | | | | | | <i>Cr.</i> | | |
|------------|--|------------------------|----|----|--|--|-----------|------------|----|----|
| | | £ | s. | d. | | | By Drawer | £ | s. | d. |
| | | | | | | | | | 7 | 6 |

(c) B's JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|-----|--|-----|----|----|-----|----|----|
| (1) | The bill still in the hands of the drawer. | | | | | | |
| | F <i>Dr.</i> | 100 | — | — | | | |
| | To Bills Receivable . . . <i>Cr.</i> | | | | 100 | — | — |
| | Cancellation of bill. | | | | | | |
| (2) | The bill has been previously endorsed over to a creditor | | | | | | |
| | F <i>Dr.</i> | 100 | — | — | | | |
| | To A. Creditor <i>Cr.</i> | | | | 100 | — | — |
| | For dishonour of F's acceptance. | | | | | | |

B's CASH BOOK (CREDIT SIDE)

| | | £ | s. | d. | £ | s. | d. |
|-----|--|-----|----|----|---|----|----|
| (3) | The bill has since been discounted with the banker | | | | | | |
| | By F (Dishonoured Bill) . . . | 100 | — | — | | | |

EXERCISE VI—No. 2.

JOURNAL ENTRIES

| | | £ | s. | d. | £ | s. | d. |
|-----|---|-----|----|----|-----|----|----|
| (1) | Blue & Black | 200 | — | — | | | |
| | To Bills Receivable | | | | 200 | — | — |
| | Bills Receivable | 202 | 13 | — | | | |
| | To Blue & Black | | | | 202 | 13 | — |
| | Blue & Black | 2 | 13 | — | | | |
| | To Interest | | | | 2 | 10 | — |
| | For charge of Interest of 5% on £200 for 3 months | | | | | | |
| | To Bill Stamp | | | | | 3 | — |

EXERCISE VI—No. 2 (contd.).

JOURNAL ENTRIES (contd.).

| | | £ | s. | d. | £ | s. | d. |
|-----|--|-------|----|----|-------|----|----|
| (3) | Wilson & Jones | 420 | — | — | 420 | — | — |
| | To Bills Receivable | | | | | | |
| | Bills Receivable | 301 | 9 | — | 301 | 9 | — |
| | To Wilson & Jones | | | | | | |
| | Wilson & Jones | 1 | 9 | — | 1 | 5 | — |
| | To Interest | | | | | | |
| | For charge of Interest of 5% on £300 for 1 month | | | | | | |
| | To Bill Stamp | | | | | 4 | — |
| (4) | L. Lamb | 460 | 5 | 6 | 460 | 5 | 6 |
| | To Charles & Son | | | | | | |
| (5) | Bills Payable | 630 | — | — | 630 | — | — |
| | To Brockwell & Haigh | | | | | | |
| | Brockwell & Haigh | 402 | 18 | 4 | 402 | 18 | — |
| | To Bills Payable | | | | | | |
| | Bill Stamp | | 5 | — | | | |
| | Interest | 2 | 13 | 4 | | | |
| | (1% of £400 for 2 months) | | | | | | |
| | To Brockwell & Haigh | | | | 2 | 18 | 4 |
| (6) | Bills Payable | 300 | — | — | 300 | — | — |
| | To Locke & Co. . . . | | | | | | |
| | Locke & Co. . . . | 303 | 14 | — | 303 | 14 | — |
| | To Bills Payable | | | | | | |
| | Bill Stamp | | 4 | — | | | |
| | Interest | 3 | 10 | — | | | |
| | (For charge of Interest of 3½% on £300 for 4 months) | | | | | | |
| (7) | To Locke & Co. . . . | | | | 3 | 14 | — |
| | Bills Payable | 345 | — | — | | | |
| | Noting Charges | | 10 | 8 | 345 | 10 | 8 |
| | To Dawson Bros. . . . | | | | | | |
| (9) | Bills Receivable | 1,083 | — | 9 | 1,083 | — | 9 |
| | To Frame & Co. . . . | | | | | | |
| | Frame & Co. . . . | 26 | 18 | 6 | 26 | 7 | 6 |
| | To Interest | | | | | | |
| | (For charge of Interest of 6% on £1,055 for 5 months) | | | | | | |
| | To Bill Stamp | | | | | 11 | — |
| | £ | 4,687 | 4 | 1 | 4,687 | 4 | 1 |

EXERCISE VI—No. 2 (*contd.*).

CASH BOOK

(Debit side)

Bank.

| | | £ | s. | d. |
|-----|------------------------------|-------|----|----|
| (3) | To Wilson & Jones | 120 | — | — |
| (3) | „ Bills Receivable | 301 | 9 | — |
| (9) | „ „ „ | 1,083 | — | 9 |

CASH BOOK

(Credit side)

Bank.

| | | £ | s. | d. |
|-----|--|-------|----|----|
| (2) | By G. Gulliver (dishonoured bill, etc.) | 450 | 5 | — |
| (4) | „ Charles & Son | 460 | 5 | 6 |
| (5) | „ Brockwell & Haigh | 230 | — | — |
| (7) | „ Dawson Bros. | 345 | 10 | 8 |
| (8) | „ Needham & Co. (dishonoured bill, etc.) | 425 | 7 | 6 |
| (9) | „ Frame & Co. (dishonoured bill, etc.) | 1,056 | 2 | 3 |

EXERCISE VI—No. 3 (*a*).

S. SILVERMAN'S LEDGER

Dr.

G. GOLDSTEIN

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|--------|----------------------------|-----|----|----|--------|-------------------|-----|----|----|
| Jan. 1 | To Bills Payable | 125 | — | — | Apr. 4 | By Cash | 125 | — | — |

Dr.

BILLS PAYABLE ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|--------|-------------------|-----|----|----|--------|---------------------------|-----|----|----|
| Apr. 4 | To Cash | 125 | — | — | Jan. 1 | By G. Goldstein | 125 | — | — |

Dr.

BANK ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|--------|---------------------------|-----|----|----|--------|----------------------------|-----|----|----|
| Apr. 4 | To G. Goldstein | 125 | — | — | Apr. 4 | By Bills Payable | 125 | — | — |

G. GOLDSTEIN'S LEDGER

Dr.

S. SILVERMAN

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|--------|------------------|-----|----|----|--------|-------------------------------|-----|----|----|
| Apr. 4 | To Cash. | 125 | — | — | Jan. 1 | By Bills Receivable | 125 | — | — |

EXERCISE VI—No. 3 (a) (contd.).

| <i>Dr.</i> | | | BILLS RECEIVABLE ACCOUNT | | | <i>Cr.</i> | | |
|----------------|-----------------|-------|--------------------------|------|----------------|-----------------|-------|--------------|
| 19.. Jan. 1 | To S. Silverman | £ 125 | s. - | d. - | 19.. Jan. 1 | By Bank | £ 125 | s. - d. - |

| <i>Dr.</i> | | | CASH BOOK (BANK ACCOUNT) | | | <i>Cr.</i> | | |
|----------------|---------------------|-------|--------------------------|------|--------------------------|--|------------|-------------------------|
| 19.. Jan. 1 | To Bills Receivable | £ 125 | s. - | d. - | 19.. Jan. 1 Apr. 4 | By Banker's Discount „ S. Silverman . . | £ 1 125 | s. 1 - d. 11 - |

| <i>Dr.</i> | | | BANKERS' DISCOUNT ACCOUNT | | | <i>Cr.</i> | | |
|----------------|-------------|-----|---------------------------|-------|--|------------|--|--|
| 19.. Jan. 1 | To Bank . . | £ 1 | s. 1 | d. 11 | | | | |

EXERCISE VI—No. 3 (b)

P. PATERSON'S LEDGER

| <i>Dr.</i> | | | I. INGRAM | | | <i>Cr.</i> | | |
|----------------|----------------------|-------|-----------|------|----------------|---------------------|-------|--------------|
| 19.. Mar. 1 | To Bills Payable . . | £ 135 | s. - | d. - | 19.. Mar. 1 | By Bills Receivable | £ 135 | s. - d. - |

| <i>Dr.</i> | | | BILLS RECEIVABLE ACCOUNT | | | <i>Cr.</i> | | |
|----------------|--------------------|-------|--------------------------|------|----------------|-----------------|-------|--------------|
| 19.. Mar. 1 | To I. Ingram . . . | £ 135 | s. - | d. - | 19.. Mar. 1 | By Bank | £ 135 | s. - d. - |

| <i>Dr.</i> | | | BILLS PAYABLE ACCOUNT | | | <i>Cr.</i> | | |
|----------------|------------------|-------|-----------------------|------|----------------|--------------------|-------|--------------|
| 19.. June 4 | To Cash. | £ 135 | s. - | d. - | 19.. Mar. 1 | By I. Ingram . . . | £ 135 | s. - d. - |

| <i>Dr.</i> | | | BANKERS' DISCOUNT ACCOUNT | | | <i>Cr.</i> | | |
|----------------|-----------------|-----|---------------------------|------|--|------------|--|--|
| 19.. Mar. 1 | To Bank | £ 1 | s. 7 | d. - | | | | |

| <i>Dr.</i> | | | CASH BOOK (BANK ACCOUNT) | | | <i>Cr.</i> | | |
|----------------|---------------------|-------|--------------------------|------|--------------------------|---|------------|------------------------|
| 19.. Mar. 1 | To Bills Receivable | £ 135 | s. - | d. - | 19.. Mar. 1 June 4 | By Banker's Discount „ Bills Payable . . | £ 1 135 | s. 7 - d. - - |

EXERCISE VI—No. 3 (b) (contd.).

I. INGRAM'S LEDGER

Dr.

P. PATERSON

Cr.

| | | | | | | | | | |
|----------------|------------------------|----------|---------|---------|----------------|---------------------------|----------|---------|---------|
| 19.. Mar. 1 | To Bills Payable . . . | £ 135 | s. — | d. — | 19.. Mar. 1 | By Bills Receivable . . . | £ 135 | s. — | d. — |
|----------------|------------------------|----------|---------|---------|----------------|---------------------------|----------|---------|---------|

Dr.

BILLS RECEIVABLE ACCOUNT

Cr.

| | | | | | | | | | |
|----------------|----------------------|----------|---------|---------|----------------|-------------------|----------|---------|---------|
| 19.. Mar. 1 | To P. Paterson . . . | £ 135 | s. — | d. — | 19.. Mar. 1 | By Bank | £ 135 | s. — | d. — |
|----------------|----------------------|----------|---------|---------|----------------|-------------------|----------|---------|---------|

Dr.

BILLS PAYABLE ACCOUNT

Cr.

| | | | | | | | | | |
|----------------|-------------------|----------|---------|---------|----------------|----------------------|----------|---------|---------|
| 19.. June 4 | To Cash | £ 135 | s. — | d. — | 19.. Mar. 1 | By P. Paterson . . . | £ 135 | s. — | d. — |
|----------------|-------------------|----------|---------|---------|----------------|----------------------|----------|---------|---------|

Dr.

BANKERS' DISCOUNT ACCOUNT

Cr.

| | | | | | | | | | |
|----------------|-------------------|--------|---------|---------|--|--|--|--|--|
| 19.. Mar. 1 | To Bank | £ 1 | s. 7 | d. — | | | | | |
|----------------|-------------------|--------|---------|---------|--|--|--|--|--|

Dr.

CASH BOOK (BANK ACCOUNT)

Cr.

| | | | | | | | | | |
|----------------|---------------------------|----------|---------|---------|--------------------------|--|---------------|--------------|--------------|
| 19.. Mar. 1 | To Bills Receivable . . . | £ 135 | s. — | d. — | 19.. Mar. 1 June 4 | By Bankers Discount " Bills Payable . . . | £ 1 135 | s. 7 — | d. — — |
|----------------|---------------------------|----------|---------|---------|--------------------------|--|---------------|--------------|--------------|

EXERCISE VI—No. 3 (c).

H. HOOKER'S LEDGER

Dr.

E. EVANS

Cr.

| | | | | | | | | | |
|----------------|------------------------|----------|---------|---------|-----------------------------------|---|---------------------|----------------------|-------------------|
| 19.. Feb. 1 | To Bills Payable . . . | £ 115 | s. — | d. — | 19.. Feb. 1 Mar. 1 May 4 | By Cash " Discount " Cash | £ 56 10 57 | s. 19 10 10 | d. 3 9 — |
| | | £115 | — | — | | | £115 | — | — |

Dr.

BILLS PAYABLE ACCOUNT

Cr.

| | | | | | | | | | |
|---------------|------------------|----------|---------|---------|----------------|-----------------------|----------|---------|---------|
| 19.. May 4 | To Cash. | £ 115 | s. — | d. — | 19.. Feb. 1 | By E. Evans | £ 115 | s. — | d. — |
|---------------|------------------|----------|---------|---------|----------------|-----------------------|----------|---------|---------|

Dr.

DISCOUNT ACCOUNT

Cr.

| | | | | | | | | | |
|----------------|-----------------------|---------|----------|---------|--|--|--|--|--|
| 19.. Feb. 1 | To E. Evans | £ 10 | s. 10 | d. 9 | | | | | |
|----------------|-----------------------|---------|----------|---------|--|--|--|--|--|

EXERCISE VI—No. 3 (c) (contd.).

| <i>Dr.</i> | | CASH BOOK (BANK ACCOUNT) | | | | <i>Cr.</i> | | |
|------------|---------------------|--------------------------|----|----|-------|----------------------|-----|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Feb. 1 | To E. Evans | 56 | 19 | 3 | May 4 | By Bills Payable . . | 115 | - |
| May 4 | " " | 57 | 10 | - | | | | |

| <i>Dr.</i> | | E. EVANS' LEDGER H. HOOKER | | | | <i>Cr.</i> | | |
|------------|---------------------|-------------------------------|----|----|--------|-----------------------|-----|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Feb. 1 | To Cash. | 56 | 19 | 3 | Feb. 1 | By Bills Receivable . | 115 | - |
| " 1 | " Banker's Discount | | 10 | 9 | | | | |
| May 4 | " Cash. | 57 | 10 | - | | | | |
| | | £115 | - | - | | £115 | - | - |

| <i>Dr.</i> | | BILLS RECEIVABLE ACCOUNT | | | | <i>Cr.</i> | | |
|------------|--------------------|--------------------------|----|----|--------|-------------------|-----|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Feb. 1 | To H. Hooker . . . | 115 | - | - | Feb. 1 | By Cash | 115 | - |

| <i>Dr.</i> | | BANKERS' DISCOUNT ACCOUNT | | | | <i>Cr.</i> | | |
|------------|------------------|---------------------------|----|----|--------|--------------------|----|------|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Feb. 1 | To Cash. | 1 | 1 | 6 | Feb. 1 | By H. Hooker . . . | - | 10 9 |

| <i>Dr.</i> | | CASH BOOK (BANK ACCOUNT) | | | | <i>Cr.</i> | | |
|------------|-----------------------|--------------------------|----|----|--------|----------------------|----|------|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Feb. 1 | To Bills Receivable . | 115 | - | - | Feb. 1 | By Banker's Discount | 1 | 1 6 |
| | | | | | " 1 | " H. Hooker . . . | 56 | 19 3 |
| | | | | | May 4 | " " | 57 | 10 - |

EXERCISE VI—No. 4 (a).

No. 1.

DUE DATE 26th April, 19..

LEEDS.

£669 : 8 : 11

23rd January, 19..

STAMP

7/-

Three months after date, pay to us or our order
Six hundred and sixty-nine pounds, eight shillings
and eleven pence value received.

To MESSRS. DARLOW & WALSH,
Bolton.

EARLE & CREASY.

EXERCISE VI—No. 4 (b).

JOURNAL ENTRIES

| 19.. | | £ | s. | d. | £ | s. | d. |
|---------|--|-------|----|----|--------|----|----|
| Jan. 23 | Darlow & Walsh | 659 | 14 | 8 | | | |
| | To Bills Receivable | | | | 659 | 14 | 8 |
| | Bill returned and withdrawn. | | | | | | |
| | Darlow & Walsh | 8 | 5 | 4 | | | |
| | To Interest | | | | 8 | 5 | 4 |
| | For 5% Interest charged on £659/14/8 plus £1/8/11 for 3 months. | | | | | | |
| | Darlow & Walsh | 1 | 8 | 11 | | | |
| | To Bill Stamp and Expenses | | | | 1 | 8 | 11 |
| | Bills Receivable | 669 | 8 | 11 | | | |
| | To Darlow & Walsh | | | | 669 | 8 | 11 |
| | Amount of NEW bill, including interest and expenses. | | | | | | |
| | Bills Receivable | 667 | 19 | 8 | | | |
| | To Darlow & Walsh | | | | 667 | 19 | 8 |
| | Particulars of Securities— DUE | | | | | | |
| | (1) H. G. Bourne & Co., £209/11/6 Feb. 14 | | | | | | |
| | (2) Neville & Co., £173/4/9 „ 26 | | | | | | |
| | (3) James Hordarn, £89/14/8 Mar. 25 | | | | | | |
| | (4) George Blakey, £82/16/- Apr. 19 | | | | | | |
| | (5) Smith, Wilks & Co., £112/12/9 Apr. 26 | | | | | | |
| | Bank | 667 | 19 | 8 | | | |
| | To Bills Receivable | | | | 667 | 19 | 8 |
| | For all above bills discounted. | | | | | | |
| Feb. 23 | Bank | 669 | 8 | 11 | | | |
| | To Bills Receivable | | | | 669 | 8 | 11 |
| | For renewed bill of Jan. 23 discounted. | | | | | | |
| Mar. 25 | Darlow & Walsh | 90 | 2 | 2 | | | |
| | To Bank | | | | 90 | 2 | 2 |
| | For Bill No. 3 dishonoured, including Noting Charges of 7s. 6d. | | | | | | |
| Apr. 4 | Bank | 90 | 2 | 2 | | | |
| | To Darlow & Walsh | | | | 90 | 2 | 2 |
| | For payment to bank of value of Bill No. 3 (dishonoured). | | | | | | |
| 26 | Darlow & Walsh | 782 | 1 | 8 | | | |
| | To Bank | | | | 782 | 1 | 8 |
| | For dishonour of renewed bill of Jan. 23 and of Bill No. 5. | | | | | | |
| | £ | 4,306 | 12 | 1 | £4,306 | 12 | 1 |

EXERCISE VI—No. 4 (c).

EARLE & CREASEY'S LEDGER

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|----------------|--|---------|-------|------------|---------------------------------|---------|-------|
| DARLOW & WALSH | | | | | | | |
| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
| Jan. 23 | To Bills Receivable. | 659 | 14 8 | Jan. 23 | By Bills Receivable | 669 | 8 11 |
| " 23 | " Interest . . . | 8 | 5 4 | " 23 | " Bills Receivable | | |
| " 23 | " Bill Stamp and Expenses . . | 1 | 8 11 | " 23 | " (surrendered as securities) . | 667 | 19 8 |
| Mar. 25 | " Bank . . . | 90 | 2 2 | Apr. 4 | " Bank . . . | 90 | 2 2 |
| Apr. 26 | " Bank (renewed Bill and Bill No. 5) . . . | | | " 26 | " Balance c/d . . | 114 | 2 - |
| | | 782 | 1 8 | | | | |
| | | £ 1,541 | 12 9 | | | £ 1,541 | 12 9 |

EXERCISE VI—No. 5.

JOURNAL ENTRIES

| 19.. | | £ | s. | d. | £ | s. | d. |
|-------------|--------------------------|------|----|----|------|----|----|
| (A) Oct. 1 | Bills Receivable . . . | 105 | - | - | 105 | - | - |
| | To Rhodes . . . | | | | | | |
| (B) Dec. 11 | Hirst (bill broker) . . | 100 | - | - | | | |
| | Discount . . . | 5 | - | - | | | |
| | To Bills Receivable . . | | | | 105 | - | - |
| (C) Apr. 7 | Rhodes . . . | 105 | - | - | | | |
| | To Hirst (bill broker) . | | | | 105 | - | - |
| | | £315 | - | - | £315 | - | - |

- (A) The bill will require a stamp duty of 2s.
 The bill will be due for payment 4th of April, 19..
 (that is, 3 days beyond the period, or tenor of the bill).

EXERCISE VI—No. 6.

JONES'S LEDGER

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|------------|---------------------|---------|-------|------------|---------------------|---------|-------|
| BROWN | | | | | | | |
| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
| Jan. 1 | To Cash . . . | 296 | 5 - | Jan. 1 | By Bills Receivable | 600 | - - |
| " | " Discount . . . | 3 | 15 - | " | " Cash . . . | 148 | 2 6 |
| " | " Bills Payable . . | 300 | - - | " | " Discount . . . | 1 | 17 6 |
| Mar. 31 | " " Receivable. | 600 | - - | June 30 | " Cash . . . | 112 | 10 - |
| | | | | " | " Bad Debts . . | 337 | 10 - |
| | | £ 1,200 | - - | | | £ 1,200 | - - |

EXERCISE VI—No. 7.

Bills under Discount should be stated in the Balance Sheet as a contingent liability, and entered short, as under—

Contingent Liability.

| | £ | s. | d. |
|--------------------------------|--------|----|----|
| Bills under Discount | 10,750 | - | - |

If it is known that £1,000 worth of the bills discounted may not mature, a reserve must be made against that possibility by a charge against "Profit and Loss" of £1,000, and an equivalent amount credited to "Reserve for Loss on Bills under Discount."

An adjustment may be made with regard to the Reserve in the event of the actual sums (10s. in £) being received. ✓

EXERCISE VI—No. 8.

B's JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|--------|---|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Jan. 1 | Bills Receivable | 6,000 | - | - | | | |
| | To A | | | | 6,000 | - | - |
| | For two bills drawn on him for £2,000 and £4,000 for 2 mos. and 4 mos. respectively. | | | | | | |
| Mar. 4 | Bills Receivable | 1,012 | 10 | - | | | |
| | To A | | | | 1,012 | 10 | - |
| | For bill of £1,000 + Interest at 5% for 3 months. | | | | | | |
| | A | 12 | 10 | - | | | |
| | To Interest | | | | 12 | 10 | - |
| | For charge of Interest—5% of £1,000 for 3 months | | | | | | |
| May 4 | A | 2,540 | - | - | | | |
| | To Bills Payable | | | | 2,540 | - | - |
| | For acceptances of £1,131/16/8 and £1,408/3/4 for 2 months and 3 months respectively. | | | | | | |
| | | £9,565 | - | - | £9,565 | - | - |

B's LEDGER

| Dr. | | SALES ACCOUNT | | | | Cr. | |
|--------|----------------|---------------|----|----|--------|-------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. |
| Jan. 1 | By A | | | | Jan. 1 | 6,000 | - |

It has been assumed that A would have received value before bills would be accepted by him.

EXERCISE VI—No. 8 (*contd.*).

| Dr. | | | A | | | Cr. | | | |
|--------|-----------------------------|----------|----|----|--------|----------------------------|----------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 1 | To Sales | 6,000 | — | — | Jan. 1 | By Bills Receivable . . | 6,000 | — | — |
| Mar. 1 | „ Cash | 1,000 | — | — | Mar. 4 | „ „ | 1,012 | 10 | — |
| „ 4 | „ Interest | 12 | 10 | — | June 7 | „ Balance <i>c/d</i> . . . | 3,552 | 10 | — |
| May 4 | „ Bills Payable . . . | 2,540 | — | — | | | | | |
| June 7 | „ Cash | 1,012 | 10 | — | | | | | |
| | | £ 10,565 | — | — | | | £ 10,565 | — | — |
| June 7 | To Balance <i>b/d</i> . . . | 3,552 | 10 | — | | | | | |

| <i>Dr.</i> | | BILLS RECEIVABLE ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|----------------|--------------------------|-----------|----------|--------|-------------------|---------------|------------|----------|
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | | | | | 19.. | | | | |
| Jan. 1 | To A | 6,000 | | | Jan. 3 | By Cash | 2,000 | | |
| Mar. 4 | " A | 1,012 | 10 | — | " 3 | " " | 4,000 | | |
| | | | | | Mar. 4 | " " | 1,012 | 10 | — |
| | | <u>£7,012</u> | <u>10</u> | <u>—</u> | | | <u>£7,012</u> | <u>10</u> | <u>—</u> |

| <i>Dr.</i> | | BILLS PAYABLE ACCOUNT | | | | | | <i>Cr.</i> | | |
|------------|-------------------|-----------------------|----|----|----|-------|----------------|------------|----|----|
| 19.. | | | £ | s. | d. | 19.. | | £ | s. | d. |
| July 7 | To Cash | 1,131 | 16 | 8 | | May 4 | By A | 2,540 | — | — |
| Aug. 7 | „ „ | 1,408 | 3 | 4 | | | | | | |
| | | £2,540 | — | — | | | | £2,540 | — | — |

| Dr. | | INTEREST ACCOUNT | | | | | Cr. | | | |
|-----|--|------------------|--|--|--|--------|----------------|----|----|----|
| | | | | | | | | | | |
| | | | | | | 19.. | | | | |
| | | | | | | Mar. 4 | By A | £ | s. | d. |
| | | | | | | | | 12 | 10 | — |

| Dr. | | BANKERS' DISCOUNT ACCOUNT | | | | Cr. | |
|--------|-----------------------|---------------------------|----|----|--|-----|--|
| 19.. | | £ | s. | d. | | | |
| Mar. 4 | To Sundries | 76 | 6 | 4 | | | |

| CASH BOOK | | | | | | | | | |
|---------------|-------------------------|--------|----|----|--------|--------------------------|--------|----|----|
| Dr. | | | | | Cr. | | | | |
| (BANK COLUMN) | | | | | | | | | |
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | | | | | 19.. | | | | |
| Jan. 3 | To Bills Receivable . . | 2,000 | — | — | Jan. 3 | By Banker's Discount . . | 13 | 3 | — |
| | | | — | — | | | 53 | — | 10 |
| | | 4,000 | — | — | Mar. 1 | " A " " " " | 1,000 | — | — |
| Mar. 4 | " " " " | 1,012 | 10 | — | Mar. 4 | " Banker's discount . . | 10 | 2 | 6 |
| | | | | | June 7 | " A (dishonoured bill) . | 1,012 | 10 | — |
| | | | | | July 7 | " Bills Payable | 1,131 | 16 | 8 |
| | | | | | Aug. 7 | " " " " " " | 1,408 | 3 | 4 |
| | | | | | " | " Balance " " " " . . | 2,383 | 13 | 8 |
| | | £7,012 | 10 | — | | | £7,012 | 10 | — |

BILLS RECEIVABLE BOOK

| Date. | No. of Bill. | From Whom Received. | Folio. | Discount. | Amount of Bill. | Date of Bill. | Tenor. | Due Date. | Remarks. |
|--------|--------------|---------------------------|--------|------------------|-----------------|---------------|----------|-----------|--|
| 19.. | | | | | | | | | |
| Mar. 2 | 129 | Green & Golding | | £ s. d. | £ s. d. | 19.. 2 | 1 month | Apr. 5 | Acceptor—Green & Golding |
| " " | 130 | Ellis & Co. | | 85 - 10 | - - - | Mar. 9 | 2 months | Mar. 12 | " —J. Thompson. Met—Mar. 12 |
| 16 | 131 | Pavey & Lord | | 120 12 6 | - - - | Mar. 11 | 3 months | June 14 | Endorsed over to Mandrakes, Ltd.—11th June |
| 12 | 132 | Allott, Jones & Co. . . . | | 185 - - - | - - - | Feb. 28 | 60 days | May 2 | Acceptor—B. Bunker. Discounted |
| 22 | 133 | Bayes & Kerry | | 214 9 3 | - - - | Mar. 22 | 4 months | July 25 | |
| " " | | | | 11 5 9 | - - - | | | | |
| 31 | 134 | B. Bearon | | 116 2 6 | - - - | Jan. 29 | 2 months | Apr. 1 | { Endorsement by B. Bearon of H. Moore's bill drawn on L. Levar—Dishonoured |
| | | | | 19 5 9 | - - - | | | A/c Dr. | |
| | | | | For. | - - - | | | | |
| | | | | £874 | - - - | | | | |
| | | | | 1 | - - - | | | | |
| | | | | BILLS RECEIVABLE | - - - | | | | |

BILLS PAYABLE BOOK

| Date. | No. of Bill. | To Whom Given. | Fol. | Discount. | Amount of Bill. | Date of Bill. | Tenor. | Due Date. | Remarks. |
|--------|--------------|---------------------------|------|-----------|-----------------|---------------|----------|-----------|--------------------------|
| | | | | £ s. d. | £ s. d. | Mar. 2 | 2 months | May 5 | Payee—Ogden & Co. |
| Mar. 3 | 95 | Phillip & Son | | | 237 16 4 | 11 | 10 days | Mar. 24 | Honoured—Mar. 24 |
| 12 | 96 | Lonsdale & Sons | | | 125 - - | 19 | 1 month | Apr. 22 | Payee—Leury & Son |
| 21 | 97 | Sowerby & Wade | | s 14 10 | 166 1 - 8 | 26 | 3 months | June 29 | |
| 27 | 98 | Green & Noel | | | 303 9 11 | 29 | 4 months | Aug. 1 | Payee—Gardner & Isbister |
| 30 | 99 | T. Nicholson | | | 66 13 8 | 21 | 90 days | June 22 | |
| 31 | 100 | G. Graham | | 7 1 9 | 134 13 3 | | PAYABLE | A/c Cr. | |
| | | | | £15 16 7 | £1,033 14 10 | BILLS | | | |
| | | | | £15 16 7 | | | | | |
| | | | | For. | | | | | |

EXERCISE VI—No. 9 (*contd.*).

JOURNAL ENTRIES

| 19.. | | £ | s. | d. | £ | s. | d. |
|---------|-------------------------------|-----|----|----|-----|----|----|
| Mar. 27 | Interest | 3 | 14 | 11 | | | |
| | To Green & Noel. | | | | 3 | 14 | 11 |
| Apr. 1 | B. Bearon | 116 | 2 | 6 | | | |
| | To Bills Receivable | | | | 116 | 2 | 6 |
| May 4 | Bills Payable | 237 | 16 | 4 | | | |
| | To Phillip & Son | | | | 237 | 16 | 4 |
| „ 4 | Phillip & Son | 237 | 16 | 4 | | | |
| | To Bills Payable | | | | 237 | 16 | 4 |
| June 11 | Mandrakes | 120 | 12 | 6 | | | |
| | To Bills Receivable | | | | 120 | 12 | 6 |

CASH BOOK

(Bank Column)

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|---------|--|-----|----|----|---------|--|-----|----|----|
| Mar. 12 | To Bills Receivable (No. 130) | 85 | 16 | 10 | Mar. 24 | By Bills Payable (No. 96) | 125 | - | |
| „ 16 | „ Bills Receivable (No. 132) | 185 | - | - | | | | | |

EXERCISE VI—No. 10.

“Renewing” a bill is an arrangement by which a *drawer* of a bill withdraws the first bill and makes out a fresh one.

The new bill, in addition to the amount of the old one, will include the *drawer's* charges for interest and stamp duty.

(A) WELT & DRAY'S JOURNAL

| | £ | s. | d. | £ | s. | d. |
|-------------------------------|------|----|----|------|----|----|
| F. Frost | 126 | 15 | 8 | | | |
| To Bills Receivable | | | | 126 | 15 | 8 |
| Bills Receivable | 127 | 17 | 6 | | | |
| To F. Frost | | | | 127 | 17 | 6 |
| F. Frost | 1 | 1 | 10 | | | |
| To Interest | | | | 19 | 2 | 10 |
| „ Stamp Duty | | | | | | - |
| | £255 | 15 | - | £255 | 15 | - |

EXERCISE VI—No. 10 (contd.).

F. FROST'S JOURNAL

| | £ | s. | d. | £ | s. | d. |
|----------------------------|------|----|----|------|----|----|
| Bills Payable | 126 | 15 | 8 | | | |
| To Welt & Dray | | | | 126 | 15 | 8 |
| Welt & Dray | 127 | 17 | 6 | | | |
| To Bills Payable | | | | 127 | 17 | 6 |
| Interest | | 19 | 10 | | | |
| Stamp Duty | | 2 | — | | | |
| To Welt & Dray | | | | 1 | 1 | 10 |
| | £255 | 15 | — | £255 | 15 | — |

(B) S. STORM'S JOURNAL

| | £ | s. | d. | £ | s. | d. |
|-------------------------------|------|----|----|------|----|----|
| Jenkins & Co. | 226 | 14 | 11 | | | |
| To Bills Receivable | | | | 226 | 14 | 11 |
| Bills Receivable | 230 | — | 9 | | | |
| To Jenkins & Co. | | | | 230 | — | 9 |
| Jenkins & Co. | 3 | 5 | 10 | | | |
| To Interest | | | | 3 | 2 | 10 |
| „ Stamp Duty | | | | | 3 | — |
| | £460 | 1 | 6 | £460 | 1 | 6 |

J. JENKINS' JOURNAL

| | £ | s. | d. | £ | s. | d. |
|----------------------------|------|----|----|------|----|----|
| Bills Payable | 226 | 14 | 11 | | | |
| To S. Storm | | | | 226 | 14 | 11 |
| S. Storm | 230 | — | 9 | | | |
| To Bills Payable | | | | 230 | — | 9 |
| Interest | 3 | 2 | 10 | | | |
| Stamp Duty | | 3 | — | | | |
| To S. Storm | | | | 3 | 5 | 10 |
| | £460 | 1 | 6 | £460 | 1 | 6 |

EXERCISE VI—No. 11.

T. TALBOT'S JOURNAL

| | £ | s. | d. | £ | s. | d. |
|----------------------------|-----|----|----|-----|----|----|
| Bills Receivable | 120 | — | — | 120 | — | — |
| To A—Debtor | | | | | | |

The above bill can be dealt with in the following ways—

- (1) Discounted with a banker or bill broker.
- (2) Endorsed to a customer.
- (3) Held until maturity.

| JOURNAL ENTRIES | | £ | s. | d. | £ | s. | d. |
|--|--|-----|----|----|-----|----|----|
| (2) A—Creditor | | 120 | — | — | | | |
| To Bills Receivable | | | | | 120 | — | — |
| <i>If dishonoured—</i> | | | | | | | |
| A—Debtor | | 120 | — | — | | | |
| To A—Creditor | | | | | 120 | — | — |
| CASH BOOK (DEBIT SIDE) | | | | | | | |
| (1) To Bills Receivable | | | | | 120 | — | — |
| <i>If dishonoured—</i> | | | | | | | |
| CASH BOOK (CREDIT SIDE) | | | | | | | |
| By A—Debtor | | | | | 120 | — | — |
| (3) As for (1), assuming the bill had been sent to bank for collection, otherwise, as under— | | | | | | | |
| JOURNAL ENTRY | | | | | | | |
| A—Debtor | | 120 | — | — | | | |
| To Bills Receivable | | | | | 120 | — | — |

EXERCISE VI—No. 12.

Methods of procedure are explained on page 173 *et seq* of *Advanced Accounts*.

(1) Credit Bank Account "By J (for dishonoured bill)."

(2)

M's LEDGER

| Dr. | | | | B. | | | | Cr. | | | | |
|--------|--------------------|--|--|--------------------------|----|----|--------|-----------------------|--|-----|----|----|
| 19.. | | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Mar. 1 | To Bills Payable . | | | 100 | — | — | Mar. 1 | By Bills Receivable . | | 100 | — | — |
| Dr. | | | | BILLS RECEIVABLE ACCOUNT | | | | Cr. | | | | |
| 19.. | | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Mar. 1 | To B | | | 100 | — | — | Mar. 1 | By Bank | | 100 | — | — |
| Dr. | | | | BILLS PAYABLE ACCOUNT | | | | Cr. | | | | |
| 19.. | | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| June 4 | To Bank | | | 100 | — | — | Mar. 1 | By B | | 100 | — | — |

EXERCISE VI—No. 12 (*contd.*).

| <i>Dr.</i> | | BANK ACCOUNT | | | | | | <i>Cr.</i> | | |
|----------------|---------------------|--------------|----|----|--------------------------|--|-----|------------|----|--|
| 19.. Mar. 1 | To Bills Receivable | £ | s. | d. | 19.. Mar. 1 June 4 | By Discount Charges „ Bills Payable | £ | s. | d. | |
| | | 100 | — | — | | | 100 | 5 | — | |

| <i>Dr.</i> | | DISCOUNT ACCOUNT | | | | | | <i>Cr.</i> | | |
|----------------|---------|------------------|----|----|------|--|---|------------|----|--|
| 19.. Mar. 1 | To Bank | £ | s. | d. | 19.. | | £ | s. | d. | |
| | | 1 | 5 | — | | | | | | |

Note. The tenor of the bill has been taken at “three months.”

| B's LEDGER | | | | | | | | | | |
|--------------------------|-----------------------|-----|----|----|--------------------------|--|-----|----|----|--|
| Dr. | | | | M. | | | Cr. | | | |
| 19.. Mar. 1 | To Bills Payable . | £ | s. | d. | 19.. Mar. 1 | By Bills Receivable . | £ | s. | d. | |
| | | 100 | — | — | | | 100 | — | — | |
| BILLS RECEIVABLE ACCOUNT | | | | | | | | | | |
| 19.. Mar. 1 | To M | £ | s. | d. | 19.. Mar. 1 | By Bank | £ | s. | d. | |
| | | 100 | — | — | | | 100 | — | — | |
| BILLS PAYABLE ACCOUNT | | | | | | | | | | |
| 19.. June 4 | To Bank | £ | s. | d. | 19.. Mar. 1 | By M | £ | s. | d. | |
| | | 100 | — | — | | | 100 | — | — | |
| BANK ACCOUNT | | | | | | | | | | |
| 19.. Mar. 1 | To Bills Receivable . | £ | s. | d. | 19.. Mar. 1 June 4 | By Discount Charges . „ Bills Payable . | £ | s. | d. | |
| | | 100 | — | — | | | 100 | 5 | — | |
| DISCOUNT ACCOUNT | | | | | | | | | | |
| 19.. Mar. 1 | To Bank | £ | s. | d. | 19.. | | £ | s. | d. | |
| | | 1 | 5 | — | | | | | | |

(3)

(A) L's JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------------------|------------|---|----|----|---|----|----|
| Bills Receivable | <i>Dr.</i> | | | | | | |
| To M | <i>Cr.</i> | | | | | | |
| N | <i>Dr.</i> | | | | | | |
| To Bills Receivable | <i>Cr.</i> | | | | | | |
| M | <i>Dr.</i> | | | | | | |
| To Bank | <i>Cr.</i> | | | | | | |

EXERCISE VI—No. 12 (*contd.*).

(B) M's JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|------------------|-----|---|----|----|---|----|----|
| L | | | | | | | |
| To Bills Payable | Dr. | | | | | | |
| | Cr. | | | | | | |
| Bills Payable | Dr. | | | | | | |
| To L | Cr. | | | | | | |

(C) N's JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------------------|-----|---|----|----|---|----|----|
| Bills Receivable | Dr. | | | | | | |
| To L | Cr. | | | | | | |
| Bank | Dr. | | | | | | |
| To Bills Receivable | Cr. | | | | | | |

EXERCISE VI—No. 13.

PURCHASES BOOK

| | | £ | s. | d. | £ | s. | d. |
|--------|--------------------------------|-----|----|----|------|----|----|
| 19.. | | | | | | | |
| Jan. 6 | W. Lyons— | | | | | | |
| | 150 tons Pig Iron @ 43/4 a ton | 325 | — | — | | | |
| | Less 3% Trade Discount | 9 | 15 | — | | | |
| | | | | | 315 | 5 | — |
| | Total of Invoice | | | | £315 | 5 | — |

SALES BOOK

| | | £ | s. | d. |
|--------|--|-----|----|----|
| 19.. | | | | |
| Jan. 2 | James & Co.— | | | |
| | 20 tons 10 cw. 2 qrs. Steel Bars @ 103/4 a ton | 106 | — | 11 |

EXERCISE VI—No. 13 (*contd.*).

BILLS RECEIVABLE BOOK

| Date. | From Whom Received. | Tenor. | Due Date. | Amount. | | |
|----------------|--|--------|---------------|----------|----------|---------|
| 19.. Jan. 7 | J. Kitson (Bill dated 4th Jan.) | 4 mos. | 19.. May 7 | £ 178 | s. 10 | d. — |

BILLS PAYABLE BOOK

| Date. | To Whom Given. | Tenor. | Due Date. | Amount. | | |
|----------------|---|--------|----------------|----------|---------|---------|
| 19.. Jan. 6 | W. Lyons (Bill dated 1st Jan.) | 3 mos. | 19.. Apr. 4 | £ 315 | s. 5 | d. — |

TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|--------------------------------|------|----|----|------|----|----|
| Purchases | 315 | 5 | — | | | |
| Bills Receivable | 178 | 10 | — | | | |
| Discount | 1 | 2 | 6 | | | |
| Carriage | 2 | 11 | 4 | | | |
| Rent | 100 | — | — | | | |
| Salaries | 25 | — | — | | | |
| Wages | 75 | — | — | | | |
| James & Co. | 106 | — | 11 | | | |
| J. Butler | 35 | 14 | 2 | | | |
| Sales | | | | 106 | — | 11 |
| Bills Payable | | | | 315 | 5 | — |
| J. Tasker | | | | 47 | 10 | — |
| W. Methley | | | | 39 | 15 | — |
| J. Moulton | | | | 45 | — | — |
| J. Kitson | | | | 178 | 10 | — |
| Bank (for Overdraft) | | | | 107 | 3 | — |
| | £839 | 3 | 11 | £839 | 3 | 11 |

EXERCISE VI—No. 14

JOURNAL OF WILLIAM ASHTON

OPENING ENTRIES

| 19.. | | | £ | s. | d. | £ | s. | d. |
|--------|--------------------------|---|---------|----|----|--------|----|----|
| Jan. 1 | Freehold Works | . | 9,127 | 10 | — | | | |
| | Fixed Plant | . | 7,826 | 15 | — | | | |
| | Dry Dock | . | 6,284 | — | — | | | |
| | Loose Plant, etc. | . | 2,788 | 5 | 6 | | | |
| | <i>Expenditure on—</i> | | | | | | | |
| | <i>S.S. Owl</i> | . | 7,126 | — | — | | | |
| | <i>S.S. Hawk</i> | . | 4,291 | — | — | | | |
| | <i>S.S. Sparrow</i> | . | 835 | — | — | | | |
| | Materials | . | 4,724 | 9 | 6 | | | |
| | <i>Bills Receivable—</i> | | | | | | | |
| | Nos. 186 | . | £329 | 6 | 6 | | | |
| | " 187 | . | 546 | 10 | — | | | |
| | " 188 | . | 490 | 9 | 6 | | | |
| | Cash at Bank | . | 1,366 | 6 | — | | | |
| | Cash in Office | . | 2,796 | 8 | 8 | | | |
| | To Robinson & Co. | . | 120 | 14 | 6 | 984 | 17 | — |
| | " Jones & Co. | . | | | | 1,653 | 10 | — |
| | " Brown & Co. | . | | | | 848 | 19 | — |
| | " Mortgage (P. Piper) | . | | | | 8,000 | — | — |
| | <i>Bills Payable—</i> | | | | | | | |
| | Nos. 135 | . | £640 | 8 | — | | | |
| | " 136 | . | 728 | 10 | — | | | |
| | " 137 | . | 320 | 17 | 6 | | | |
| | <i>Instalments on—</i> | | | | | 1,689 | 15 | 6 |
| | <i>S.S. Owl</i> | . | | | | 6,849 | — | — |
| | <i>S.S. Hawk</i> | . | | | | 3,500 | — | — |
| | Capital Account | . | | | | 23,760 | 7 | 8 |
| | | | £47,286 | 9 | 2 | 47,286 | 9 | 2 |

EXERCISE VI—No. 15.

Dr. V. WHITING'S CASH BOOK

Cr.

| 1932 | | £ | s. | d. | 1933 | | £ | s. | d. |
|---------|----------------|-------|----|----|--------|--------------|-------|----|----|
| Sept. 3 | To R. Sturgeon | 1,473 | 15 | 3 | Jan. 4 | By R. Salmon | 1,000 | — | — |

V. WHITING'S LEDGER

Dr.

R. SALMON

Cr.

| 1932 | | £ | s. | d. | 1932 | | £ | s. | d. |
|---------|------------|--------|----|----|---------|---------------------|--------|----|----|
| Sept. 1 | To Goods | 1,500 | — | — | Sept. 1 | By Bills Receivable | 1,500 | — | — |
| 1933 | | | | | | | | | |
| Jan. 4 | To Cash | 1,000 | — | — | Jan. 4 | By Bills Receivable | 1,020 | 16 | 8 |
| " 4 | " Interest | 20 | 16 | 8 | | (enc. Interest) | | | |
| | | £1,020 | 16 | 8 | | | £1,020 | 16 | 8 |

EXERCISE VI—No. 15 (*contd.*).

| <i>Dr.</i> | | R. STURGEON | | | | <i>Cr.</i> | |
|-----------------|---------------------|-------------|----|----|-----------------|------------|------------|
| 1932 Sept. 3 | To Bills Receivable | £ | s. | d. | 1932 Sept. 3 | By Cash | £ s. d. |
| | | 1,500 | - | - | | " Discount | 1,473 15 3 |
| | | | | | | | 26 4 9 |
| | | £1,500 | - | - | | | £1,500 - - |

| <i>Dr.</i> | | BILLS RECEIVABLE ACCOUNT | | | | <i>Cr.</i> | |
|-----------------|--------------|--------------------------|----|----|-----------------|----------------|-----------|
| 1932 Sept. 1 | To R. Salmon | £ | s. | d. | 1932 Sept. 3 | By R. Sturgeon | £ s. d. |
| | | 1,500 | - | - | | | 1,500 - - |
| 1934 Jan. 4 | To R. Salmon | £ | s. | d. | | | |
| | | 1,020 | 16 | 8 | | | |

| <i>Dr.</i> | | DISCOUNT AND INTEREST ACCOUNT | | | | <i>Cr.</i> | |
|-----------------|----------------|-------------------------------|----|----|----------------|--------------|---------|
| 1932 Sept. 3 | To R. Sturgeon | £ | s. | d. | 1933 Jan. 4 | By R. Salmon | £ s. d. |
| | | 26 | 4 | 9 | | | 20 16 8 |

| <i>Dr.</i> | | SALES ACCOUNT | | | | <i>Cr.</i> | |
|------------|--|---------------|--|--|-----------------|--------------|-----------|
| | | | | | 1932 Sept. 1 | By R. Salmon | £ s. d. |
| | | | | | | | 1,500 - - |

EXERCISE VI—No. 16.

ROBINSON'S BOOKS

| PURCHASES BOOK | | | | SALES BOOK | | | |
|-----------------|---|----|-------|------------------|---|----|-------|
| 19.. Aug. 31 | Tuck & Co.— 150 tons Coal @ 7/6 a ton | £ | s. d. | 19.. Sept. 14 | The Sheffield Mfg. Co.— 150 tons Coal @ 12/6 a ton. | £ | s. d. |
| | | 56 | 5 - | | | 93 | 15 - |

| <i>Dr.</i> | | CASH BOOK | | | | <i>Cr.</i> | |
|-----------------|-----------------------|-----------|----|----|-----------------|------------------|----------|
| 19.. Nov. 17 | To Sheffield Mfg. Co. | £ | s. | d. | 19.. Aug. 31 | By Tuck & Co. | £ s. d. |
| | | 93 | 15 | - | " 31 | Disct. £1/8/2 | 54 16 10 |
| | | | | | " 31 | " Carriage . | 9 7 6 |
| | | | | | " 31 | (150 tons @ 1/3) | 5 12 6 |
| | | | | | Nov. 30 | " Cartage . | 23 18 2 |
| | | | | | | (150 tons @ 9d.) | |
| | | | | | | " Balance c/d | |
| | | £93 | 15 | - | | | £93 15 - |
| Nov. 30 | To Balance b/d | 23 | 18 | 2 | | | |

EXERCISE VI—No. 16 (contd.).

JOURNAL

| | | £ | s. | d. | | £ | s. | d. |
|----------|--|------|----|----|--|------|----|----|
| 19.. | | | | | | | | |
| Sept. 14 | Bills Receivable. <i>Dr.</i> | 93 | 15 | — | | 93 | 15 | — |
| | To Sheffield Manufacturing Co. <i>Cr.</i> | | | | | | | |
| | Bill drawn at 2 mos. | | | | | | | |
| Nov. 17 | Sheffield Manufacturing Co. . . <i>Dr.</i> | 93 | 15 | — | | 93 | 15 | — |
| | To Bills Receivable . . . <i>Cr.</i> | | | | | | | |
| | Bill due, dishonoured. | | | | | | | |
| | | £187 | 10 | — | | £187 | 10 | — |

LEDGER

| <i>Dr.</i> | | | | TUCK & Co. | | | | <i>Cr.</i> | | | |
|------------|----------------------|-----|----|------------|---------|------------------------|-----|------------|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Aug. 31 | To Cash | 54 | 16 | 10 | Aug. 31 | By Purchases | 56 | 5 | — | | |
| " 31 | " Discount | 1 | 8 | 2 | | | | | | | |
| | | £56 | 5 | — | | | £56 | 5 | — | | |

| <i>Dr.</i> | | | | SHEFFIELD MANUFACTURING CO. | | | | <i>Cr.</i> | | | |
|------------|------------------------------|------|----|-----------------------------|----------|-------------------------------|------|------------|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Sept. 14 | To Sales | 93 | 15 | — | Sept. 14 | By Bills Receivable | 93 | 15 | — | | |
| Nov. 17 | " Bills Receivable | 93 | 15 | — | Nov. 17 | " Cash | 93 | 15 | — | | |
| | | £187 | 10 | — | | | £187 | 10 | — | | |

| <i>Dr.</i> | | | | BILLS RECEIVABLE ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|-------------------------------|----|----|--------------------------|---------|-------------------------------|----|------------|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Sept. 14 | To Sheffield Mfg. Co. | 93 | 15 | — | Nov. 17 | By Sheffield Mfg. Co. | 93 | 15 | — | | |

| <i>Dr.</i> | | | | TRADING ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|---------------------------------|-----|----|-----------------|------|--------------------|-----|------------|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| | To Purchases | 56 | 5 | — | | By Sales | 93 | 15 | — | | |
| | " Carriage Inwards | 9 | 7 | 6 | | " Discount on Pur- | 1 | 8 | 2 | | |
| | " Cartage Inwards | 5 | 12 | 6 | | chases | | | | | |
| | " Profit and Loss A/c | 23 | 18 | 2 | | | | | | | |
| | | £95 | 3 | 2 | | | £95 | 3 | 2 | | |

| <i>Dr.</i> | | | | PROFIT AND LOSS ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|---------------------------------|-----|----|-------------------------|------|------------------------------|-----|------------|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| | To Establishment Exps. | 5 | 12 | 6 | | By Trading Account | 23 | 18 | 2 | | |
| | (10% of £56/5/-) | | | | | | | | | | |
| | " Balance, Net Profit | 18 | 5 | 8 | | | | | | | |
| | | £23 | 18 | 2 | | | £23 | 18 | 2 | | |

EXERCISE VI—No. 16. (*contd*)

FORM OF BILL

| | |
|--|--|
| No. 33. | DUE DATE 17th November, 19.. |
| | SHEFFIELD. |
| £93 : 15 : 0. | 14th September, 19.. |
| <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> STAMP 1/- </div> | Two months after date pay to me or my order the sum of ninety-three pounds, fifteen shillings, for value received. |
| To SHEFFIELD MANUFACTURING, Co. SHEFFIELD. | J. ROBINSON. |

EXERCISE VI—No. 17.

A "*Bill of Lading*" is the Captain's receipt for goods on board his ship, and containing his undertaking to deliver (on certain conditions) to the place named in the document, or to the person named therein, or to order.

"*Drawing as against Bills of Lading*" is a term used in connection with the drawing of a bill by a foreign merchant on his English customer, which bill (one of the vias) is placed in the hands of the bankers with whom the foreign merchant has discounted it, before acceptance, surrendering therewith a bill of lading as security for value stated in the bill. The bill of lading is one of the documents which would be attached to the bill of exchange. See also *Advanced Accounts*, page 185 (under "*Documentary Bills*").

EXERCISE VI—No. 18.

(a)

INVOICE

| | | | | | | | |
|---|---|----|----|----|----|---|---|
| EAST STREET, SHEFFIELD. 4th March, 19.. | | | | | | | |
| THE LOW MOOR IRON CO. BOUGHT of JOHN NIGHTINGALE Iron Merchant. | | | | | | | |
| Terms : | | | | | | | |
| 40 tons Scotch Iron @ 45/- a ton | <table border="1" style="border-collapse: collapse; margin: 0 auto;"> <tr> <td style="width: 30%; text-align: center;">£</td> <td style="width: 30%; text-align: center;">s.</td> <td style="width: 30%; text-align: center;">d.</td> </tr> <tr> <td style="text-align: center;">90</td> <td style="text-align: center;">-</td> <td style="text-align: center;">-</td> </tr> </table> | £ | s. | d. | 90 | - | - |
| £ | s. | d. | | | | | |
| 90 | - | - | | | | | |

EXERCISE VI—No. 18 (*contd.*).

(b)

STATEMENT

EAST STREET,

SHEFFIELD.

27th July, 19..

THE LOW MOOR IRON CO.

DR. to JOHN NIGHTINGALE

Iron Merchant.

| | | £ | s. | d. | £ | s. | d. |
|---------|----------------------|-----|----|----|-----|----|----|
| Mar. 4 | To Goods | | | | 90 | — | — |
| „ 10 | „ Goods | | | | 220 | — | — |
| „ 19 | „ Goods | | | | 168 | — | — |
| | | | | | 478 | — | — |
| Mar. 30 | By Cash | 200 | — | — | | | |
| Apr. 2 | „ Bills Receivable . | 250 | — | — | | | |
| | | | | | 450 | — | — |
| | | | | | £28 | — | — |

(c) AND (d)

No. 73.

DUE DATE 5th July, 19..

£250.

STAMP

3/-

Three months after date, pay to my order the sum of
Two hundred and fifty pounds, value received.

To THE LOW MOOR IRON CO.
WIGAN.

JOHN NIGHTINGALE.

EAST STREET,
SHEFFIELD.

2nd April, 19..

Accepted by the
Joint Stock Bankers,
Limited, London.
per Mr. Rufus Brown, Secy.
of the Low Moor Iron Co.

EXERCISE VI—No. 18 (*contd.*).

(e)

BILLS RECEIVABLE BOOK

| No. of Bill. | Date Drawn. | Name of Acceptor. | Tenor. | Due Date. | Amount. | | | Remarks. |
|--------------|----------------|-------------------------|--------|----------------|----------|---------|---------|----------|
| 73 | 19.. Apr. 2 | The Low Moor Iron Co. . | 3 mos. | 19.. July 5 | £ 250 | s. — | d. — | |

BOOKS OF LOW MOOR IRON CO.

BILLS PAYABLE BOOK

| No. of Bill. | To Whom Payable. | Tenor. | Due Date. | Fol. | Amount. | | | Remarks. |
|--------------|----------------------|--------|----------------|------|----------|---------|---------|----------|
| 73 | John Nightingale . . | 3 mos. | 19.. July 5 | | £ 250 | s. — | d. — | |

LEDGER

Dr.

JOHN NIGHTINGALE

Cr.

| | | £ | s. | d. | | £ | s. | d. |
|---------|-----------------------|------|----|----|--------|----------------------|------|----|
| 19.. | | | | | 19.. | | | |
| Mar. 20 | To Cash | 200 | — | — | Mar. 4 | By Purchases | 90 | — |
| Apr. 2 | „ Bills Payable . . . | 250 | — | — | „ 10 | „ Purchases | 220 | — |
| „ 2 | „ Balance c/d . . . | 28 | — | — | „ 19 | „ Purchases | 168 | — |
| | | £478 | — | — | | | £478 | — |
| | | | | | Apr. 2 | By Balance b/d . . . | 28 | — |

EXERCISE VI—No. 19.

| <i>Dr.</i> | | Y'S CASH BOOK | | | | <i>Cr</i> | | | |
|------------|---------------------|---------------|----|----|---------|----------------|--------|----|----|
| 1937 | | £ | s. | d. | 1938 | | £ | s. | d. |
| Oct. 1 | To X | 305 | - | - | Mar. 31 | By Balance c/d | 1,019 | 1 | 8 |
| 1938 | | | | | | | | | |
| Jan. 1 | To Bills Receivable | 600 | - | - | | | | | |
| 1 | X | 14 | 1 | 8 | | | | | |
| | | £1,019 | 1 | 8 | | | £1,019 | 1 | 8 |
| 1938 | | | | | | | | | |
| Mar. 31 | To Balance b/d | 1,019 | 1 | 8 | | | | | |

| <i>Dr</i> | | X | | | | <i>Cr</i> | | | |
|-----------|---------------------|-------|----|----|--------|---------------------|-------|----|----|
| 1937 | | £ | s. | d. | 1937 | | £ | s. | d. |
| Oct. 1 | To Goods | 1,555 | - | - | Oct. 1 | By Cash | 305 | - | - |
| | | | | | | Bills Receivable | 1,250 | - | - |
| 1938 | | | | | 1938 | | | | |
| Jan. 1 | To Bills Receivable | 650 | - | - | Jan. 1 | By Bills Receivable | 650 | - | - |
| 1 | Interest | 14 | 1 | 8 | 1 | Cash | 14 | 1 | 8 |
| | | £664 | 1 | 8 | | | £664 | 1 | 8 |

| <i>Dr</i> | | INTEREST ACCOUNT | | | | <i>Cr</i> | | | |
|-----------|--|------------------|--|--|--------|-----------|----|----|----|
| | | | | | 1938 | | £ | s. | d. |
| | | | | | Jan. 1 | By X | 14 | 1 | 8 |

| <i>Dr</i> | | SALES ACCOUNT | | | | <i>Cr.</i> | | | |
|-----------|--------------------|---------------|----|----|--------|------------|-------|----|----|
| 1937 | | £ | s. | d. | 1937 | | £ | s. | d. |
| Mar. 31 | To Trading Account | 1,555 | - | - | Oct. 1 | By X | 1,555 | - | - |

| <i>Dr</i> | | BILLS RECEIVABLE ACCOUNT | | | | <i>Cr.</i> | | | |
|-----------|----------------|--------------------------|----|----|---------|----------------|--------|----|----|
| 1937 | | £ | s. | d. | 1938 | | £ | s. | d. |
| Oct. 1 | To X | 1,250 | - | - | Jan. 1 | By Cash | 600 | - | - |
| | | | | | 1 | X | 650 | - | - |
| | | £1,250 | - | - | | | £1,250 | - | - |
| 1938 | | | | | 1938 | | | | |
| Jan. 1 | To X | 650 | - | - | Mar. 31 | By Balance c/d | 650 | - | - |
| Mar. 31 | To Balance b/d | 650 | - | - | | | | | |

CASH BOOK OF JONAS WILKINSON

Cy.

[illegible]

EXERCISE VI—No. 21.

See *Advanced Accounts*, pages 3 (under "System of Accounting") to 5 (inclusive).

EXERCISE VI—No. 22.

See *Advanced Accounts*, page 12 (under "Bank Cash Book"); also pages 290 and 291 for examples of Cash Books. The Petty Cash Book contains an analysis of petty disbursements, examples of which are: carriage, postages, stationery, and packing materials. The Petty Cash Book is subsidiary to the General Cash Book, because it relieves the principal Cash Book of all details re small payments, which items are entered in a total amount at the end of the month.

EXERCISE VI—No. 23.

Dr.

PETTY CASH BOOK (IMPREST SYSTEM)

Cr.

| Amount Received. | Date. | Particulars. | Total. | Postages, etc. | Gas Account. | Carriage. | Office Cleaning. |
|------------------|------------|-----------------------------|-----------|----------------|--------------|-----------|------------------|
| £ s. d. | | | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| 20 - - | 19. Jan. 1 | To Bank | | | | | |
| | " 2 | By Carriage | 3 5 - | | | | |
| | " 2 | " Postages, etc. | 1 17 6 | 1 17 6 | | 3 5 - | |
| | " 2 | " Gas Account | 2 14 9 | | 2 14 9 | | |
| | " 2 | " Office Cleaning | 1 17 8 | | | | 1 17 8 |
| | | TOTAL EXPENDITURE | £9 14 11 | £1 17 6 | £2 14 9 | £3 5 - | £1 17 8 |
| 9 14 11 | " 2 | To Bank | 20 - - | | | | |
| | " 2 | By Balance c/d | | | | | |
| £29 14 11 | | | £29 14 11 | | | | |

EXERCISE VI—No. 23 (contd.).

Dr.

BANK CASH BOOK

Cr.

| Date. | Particulars. | Fol. | Dis- count. | Details. | Bank. | Sales Ledger. | General Ledger. | Date. | Particulars. | Fol. | Dis- count. | Cash. | Bank. | Bought Ledger. | General Ledger. |
|----------------|--------------|------|-------------------|---------------------|---------------------|--------------------|--------------------|----------------|--------------------|------|------------------|-------|---------------------|-------------------|--------------------|
| 19.. Jan. 1 | To J. Smith | | £ s. d. 2 19 - | £ s. d. 147 10 6 | £ s. d. 220 16 8 | £ s. d. 150 9 8 | | 19.. Jan. 1 | By W. Jones | | £ s. d. 8 8 - | | £ s. d. 215 12 - | £ s. d. 224 - | £ s. d. 146 7 8 |
| " 2 | " F. Page | | | | | 73 6 8 | | " 2 | " Bills Payable | | | | 146 7 8 | | 52 6 8 |
| | | | | | | | | " 2 | " Wages | | | | 52 6 8 | | |

A's LEDGER

| Dr. | | | | | B | | Cr. | | | | |
|--------|------------|---|--------|--------|----|--------|----------------------|---|--------|----|----|
| 19.. | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Jan. 1 | To Goods | . | 10,000 | — | — | Jan. 1 | By Bills Receivable | . | 10,000 | — | — |
| July 5 | „ C | . | 10,000 | 5 | — | July 5 | „ Cash | . | 4,000 | — | — |
| „ 5 | „ Interest | . | 100 | — | — | „ 5 | „ Bills Receivable | . | 2,033 | 8 | 4 |
| | | | | | | „ 5 | „ Bills Receivable | . | 2,033 | 8 | 4 |
| | | | | | | „ 5 | „ Bills Receivable | . | 2,033 | 8 | 4 |
| | | | | | | „ 5 | „ Bills Receivable | . | 2,033 | 8 | 4 |
| | | | | | | | (including Interest) | | | | |
| | | | | | | | (including Interest) | | | | |
| | | | | | | | (including Interest) | | | | |
| | | | | | | | (including Interest) | | | | |
| | | | £ | 20,100 | 5 | | | £ | 20,100 | 5 | — |

| <i>Dr.</i> | | BILLS RECEIVABLE ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|--------------------------------------|--------------------------|----|----|--------|----------------|--------|------------|----|
| 19.. | To B | £ | s. | d. | 19.. | By C | £ | s. | d. |
| Jan. 1 | " B | 10,000 | - | - | Jan. 4 | | 10,000 | - | - |
| July 5 | (i.e. 3 Bills of £2,033/8/4 each) | 6,100 | 5 | - | | | | | |

| Dr. | | C (BANKER) | | | | Cr. | | | | |
|--------|---------------------|------------|----|----|------|---------------------|--------|-----|----|----|
| | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Jan. 4 | To Bills Receivable | 10,000 | | | | By Discount Charges | | 250 | | |
| July 5 | „ B | 4,000 | | | | „ B | 10,000 | | 5 | |

| Dr. DISCOUNT ACCOUNT | | | | INTEREST ACCOUNT | | | | Cr. | | | | | | |
|----------------------|----------------|---|---|------------------|----|----|--------|------|---|---|----|-----|---|---|
| 19.. | | | | £ | s. | d. | 19.. | | | £ | s. | d. | | |
| Jan. 4 | To C (Bankers) | . | . | 250 | - | - | July 5 | By B | . | . | . | 100 | - | - |

EXERCISE VI—No. 25.

JOURNAL OF MESSRS. DODGER & CO.

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|---|------|----|----|------|----|----|
| Mar. 1 | Ibbetson & Co. | 1 | 17 | — | | | |
| | To Commission | | | | 1 | 2 | 9 |
| | 2% of £57. | | | | | | |
| | To Discount | | | | 14 | 3 | |
| | 5% of £57 for 3 mos. | | | | | | |
| " 1 | Bills Receivable | 58 | 17 | — | | | |
| | To Ibbetson & Co. | | | | 58 | 17 | — |
| | Bill drawn @ 3 mos. for total of invoice and charges. | | | | | | |
| June 1 | Ibbetson & Co. | 58 | 17 | — | | | |
| | To Bills Receivable | | | | 58 | 17 | — |
| | Bill @ 3 mos. withdrawn. | | | | | | |
| " 1 | Ibbetson & Co. | 1 | 2 | — | | | |
| | To Commission | | | | 15 | 6 | |
| | 2% of £38/17/-. | | | | | | |
| | To Discount | | | | 6 | 6 | |
| | 5% of £38/17/- for 2 mos. | | | | | | |
| " 1 | Bills Receivable | 39 | 19 | — | | | |
| | To Ibbetson & Co. | | | | 39 | 19 | — |
| | Bill drawn @ 2 mos. | | | | | | |
| | | £160 | 12 | — | £160 | 12 | — |

SALES BOOK

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|--|----|----|----|-----|----|----|
| Mar. 1 | Ibbetson & Co.— | | | | | | |
| | 120 tons best House Coal @ 8/9 | 52 | 10 | — | | | |
| | Wagon Hire (120 tons @ 9d.) | 4 | 10 | — | | | |
| | | | | | 57 | — | — |
| | Total of Invoice. | | | | £57 | — | — |

CASH BOOK
(DEBIT SIDE)

| 19.. | | £ | s. | d. |
|--------|-----------------------------|----|----|----|
| June 1 | To Ibbetson & Co. | 20 | — | — |
| Aug. 4 | „ Bills Receivable. | 39 | 19 | — |

EXERCISE VI—No 25 (contd.)

Dr.

MESSRS. IBBETSON & CO.

Cr.

| 19.. | To Sales | . | . | . | £ | s. | d. | 19.. | By Bills Receivable | . | . | . | £ | s. | d. |
|--------|--------------------|---|---|---|------|----|----|--------|---------------------|---|---|---|------|----|----|
| Mar. 1 | " Commission | . | . | . | 57 | — | 9 | Mar. 1 | " Cash | . | . | . | 58 | 17 | — |
| " 1 | " Discount | . | . | . | 1 | 2 | 9 | June 1 | " Bills Receivable | . | . | . | 20 | — | — |
| June 1 | " Bills Receivable | . | . | . | 58 | 17 | 3 | " 1 | | . | . | . | 39 | 19 | — |
| " 1 | " Commission | . | . | . | 15 | 6 | 6 | | | . | . | . | | | |
| " 1 | " Discount | . | . | . | 6 | 6 | 6 | | | . | . | . | | | |
| | | | | | £118 | 16 | — | | | | | | £118 | 16 | — |

EXERCISE VI—No. 26

TRADING ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY, 19..

| | Factory. | Shop. | Total. | | Factory. | Shop. | Total. |
|-----------------------------|----------|---------|----------|---------------------------|----------|---------|----------|
| To Stock, 1st Mar. | £ 3,828 | £ 747 | £ 4,575 | By Goods Supplied to Shop | £ 4,199 | £ 7,538 | £ 11,737 |
| " Purchases | 11,780 | — | 11,780 | " Sales | 19,353 | — | 19,353 |
| " Purchases from Factory | — | 4,199 | 4,199 | " Stock, 28th Feb. | 3,105 | 470 | 3,575 |
| " Purchases for Cash | — | 62 | 62 | | | | |
| " Wages | 6,433 | — | 6,433 | | | | |
| " Manufacturing Expenses | 891 | — | 891 | | | | |
| " Balance, Gross Profit c/d | 3,725 | 3,000 | 6,725 | | | | |
| | £ 26,657 | £ 8,008 | £ 34,665 | | £ 26,657 | £ 8,008 | £ 34,665 |

EXERCISE VI.—No. 26 (*contd.*).

Dr. PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 28TH FEBRUARY, 19.. Cr.

| | Factory. | | Shop. | | Total. | | Factory. | | Shop. | | Total. | |
|--|----------|-------|--------|-------|--------|-------|---------------------|--------|-------|--------|--------|-------|
| | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| To Office Salaries | 280 | — | 266 | — | 546 | — | By Trading Accounts | — | — | — | — | — |
| " Office Expenses, etc. | 395 | — | — | — | 395 | — | " Discounts | — | — | — | — | — |
| " Audit Fees (due) | — | — | 36 | — | 36 | — | | 3,725 | — | 3,000 | 6,725 | — |
| " Law Expenses and Audit Fee | 41 | — | — | — | 41 | — | | 282 | — | — | 282 | — |
| " Rent, Rates, Taxes, Light, and Ins'nce | 438 | — | 483 | — | 921 | — | | — | — | — | — | — |
| " Travellers' Commission | 152 | — | — | — | 152 | — | | — | — | — | — | — |
| " Bad Debts | 8 | — | — | — | 8 | — | | — | — | — | — | — |
| " Shop Manager's Commission | — | — | 60 | — | 60 | — | | — | — | — | — | — |
| " (2% of £3,000) | — | — | — | — | — | — | | — | — | — | — | — |
| " Depreciation— | — | — | — | — | — | — | | — | — | — | — | — |
| Fixtures | 31 | — | 49 | — | 80 | — | | — | — | — | — | — |
| " Fixtures | — | — | 2,106 | — | 4,768 | — | | — | — | — | — | — |
| Balance, Net Profits o/d | 2,662 | — | — | — | — | — | | — | — | — | — | — |
| | £4,007 | — | £3,000 | — | £7,007 | — | | £4,007 | — | £3,000 | £7,007 | — |

Dr. GENERAL PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 28TH FEBRUARY, 19.. Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|--|--------|----|----|---|----|----|-------------------------------|-------|----|---|----|----|
| To DEPRECIATION: Plant (10% of £3,280) | — | — | — | — | — | — | By Net Profits of— | — | — | — | — | — |
| " Interest on Capital Accounts— | — | — | — | — | — | — | Factory | 2,662 | — | — | — | — |
| A. Walters, $\frac{2}{3}$ | 310 | — | — | — | — | — | Shop | 2,106 | — | — | — | — |
| J. Smith (5% of £5,200) | 175 | — | — | — | — | — | | 74 | — | — | — | — |
| J. Smith (5% of £3,500) | — | — | — | — | — | — | " Bad Debts Reserve, 1st Mar. | 63 | — | — | — | — |
| " Balance, Net Profit to Capital Accounts— | — | — | — | — | — | — | Less New Provision | — | — | — | — | — |
| A. Walters, $\frac{2}{3}$ | 2,644 | — | — | — | — | — | | — | — | — | — | — |
| J. Smith, $\frac{1}{3}$ | 1,322 | — | — | — | — | — | | — | — | — | — | — |
| | £4,779 | — | — | — | — | — | | — | — | — | — | — |

MESSRS. WALTERS & SMITH

BALANCE SHEET AS AT 28TH FEBRUARY, 19..

[illegible]

EXERCISE VI—No. 27.

MESSRS. WILSON & BOOKMAN

TRADING ACCOUNT

Dr. FOR THE $\frac{1}{2}$ YEAR ENDED 31ST DECEMBER, 19.. *Cr.*

| | £ | s. | d. | £ | s. | d. | | £ | s. | d. | £ | s. | d. |
|-------------------------------------|---|----|----|----------|----|----|--------------------|--------|----|----|----------|----|----|
| To Stock, 1st July . | | | | 8,968 | — | — | By Sales | 35,643 | — | — | | | |
| „ Purchases (including Govt. Duty). | | | | 25,659 | — | — | Less Returns | | | | | | |
| „ Manufg. Wages . | | | | 4,097 | — | — | Inwards . | 278 | — | — | 35,365 | — | — |
| „ Bal., Gross Profit | | | | 9,537 | — | — | „ Stock, 31st Dec. | | | | 12,896 | — | — |
| | | | | £ 48,261 | — | — | | | | | £ 48,261 | — | — |

MESSRS. WILSON & BOOKMAN

PROFIT AND LOSS ACCOUNT

Dr. FOR THE $\frac{1}{2}$ YEAR ENDED 31ST DECEMBER, 19.. *Cr.*

| | £ | s. | d. | £ | s. | d. | | £ | s. | d. | £ | s. | d. |
|--|-------|----|----|----------|----|----|--------------------|---|----|----|----------|----|----|
| To Salaries & Wages | | | | 1,100 | — | — | By Trading Account | | | | | | |
| „ Rents, Rates, and Taxes | | | | 562 | — | — | Gross Profit . | | | | 9,537 | — | — |
| „ Travelling Exps.. | | | | 130 | — | — | „ Commission . | | | | 564 | — | — |
| „ Exps. of Licences | | | | 58 | — | — | | | | | | | |
| „ Insurance, etc. . | 40 | — | — | | | | | | | | | | |
| Less Proportion of Prem. prepaid | 7 | 10 | — | | | | | | | | | | |
| | | | | 32 | 10 | — | | | | | | | |
| „ Reps. & Renewals | | | | 337 | — | — | | | | | | | |
| „ Int. and Disc. . | | | | 587 | — | — | | | | | | | |
| „ Bad Debts . . . | 362 | — | — | | | | | | | | | | |
| Add $\frac{1}{2}$ of Macmillan Dishd. Bill . | 50 | — | — | | | | | | | | | | |
| | | | | 412 | — | — | | | | | | | |
| „ Bad Debts Res. (5% of £8,200-£50) . . . | | | | 307 | 10 | — | | | | | | | |
| Int. on Cap. A/cs A. Wilson (5% 6 m. £7,250) | 181 | 5 | — | | | | | | | | | | |
| J. Bookman (5% 6 m. £4,685) | 117 | 2 | 6 | | | | | | | | | | |
| | | | | 298 | 7 | 6 | | | | | | | |
| „ Bal. — Net Profit to Capital A/cs A. Wilson, $\frac{1}{2}$ sh. | 3,138 | 6 | 3 | | | | | | | | | | |
| J. Bookman $\frac{1}{2}$ sh. | 3,138 | 6 | 3 | | | | | | | | | | |
| | | | | 6,276 | 12 | 6 | | | | | | | |
| | | | | £ 10,101 | — | — | | | | | £ 10,101 | — | — |

EXERCISE VI—No. 27 (contd.).

MESSRS. WILSON & BOOKMAN

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | | | ASSETS. | | |
|----------------------|--------|------------|----------------------|-------|------------|
| £ | s. | d. | £ | s. | d. |
| Loan | | | Cash | 53 | — |
| Sundry Creditors . . | | | Bank | 1,897 | — |
| Capital Accounts— | | | | | |
| A. Wilson. | | | Bills Receivable . . | | 1,950 |
| Capital, 1st July | 7,250 | — | Sundry Debtors. £ | 6,200 | 950 |
| Add Interest . . | 181 | 5 | Less Bad Debts 50 | | |
| " Sh. of Profit . | 3,138 | 6 3 | " Bad Debts | | |
| | | | Reserve 307½ | | |
| Less Drawings . . | 10,569 | 11 3 | | 357 | 10 |
| | 640 | — | | | |
| | | | | | 5,842 10 |
| | | 9,929 11 3 | Stock | | 12,896 |
| J. Bookman: | | | Fixtures & Fittings. | | 897 |
| Capital, 1st July | 4,685 | — | Plant & Machinery . | | 2,880 |
| Add Interest . . | 117 | 2 6 | Proportion of Insur- | | |
| " Sh. of Profit . . | 3,138 | 6 3 | ance Prem. prepaid | | 7 10 |
| | | | | | |
| Less Drawings . . | 7,940 | 8 9 | | | |
| | 410 | — | | | |
| | | 7,530 8 9 | | | |
| | | | | | |
| | | £ 25,423 — | | | £ 25,423 — |

EXERCISE VI—No. 28

STANLEY MAIN COAL CO.'S BOOKS

JOURNAL ENTRIES

| | | £ | s. | d. | £ | s. | d. |
|--------|---|------|----|----|------|----|----|
| 19.. | | | | | | | |
| Jan. 1 | Messrs. Ricksmith, Pigg & Co. | 37 | 10 | — | | | |
| | To Wagon Hire | | | | 37 | 10 | — |
| | For charge of 9d. a ton for wagon hire on 1,000 tons. | | | | | | |
| " 1 | Messrs. Ricksmith, Pigg & Co. | 125 | — | — | | | |
| | To Carriage | | | | 125 | — | — |
| | For charge of 2/6 a ton carriage on 1,000 tons | | | | | | |
| " 1 | Screening Account | 25 | — | — | | | |
| | To Messrs. Ricksmith, Pigg & Co. | | | | 25 | — | — |
| | For allowance of 6d. per ton for screening. | | | | | | |
| " 1 | Bills Receivable | 512 | 10 | — | | | |
| | To Messrs. Ricksmith, Pigg & Co. | | | | 512 | 10 | — |
| | For acceptance at 2 mos. | | | | | | |
| | | £700 | — | — | £700 | — | — |

EXERCISE VI—No. 28. (contd.)

SALES BOOK

| | | £ | s. | d. |
|--------|---|-----|----|----|
| 19.. | | | | |
| Jan. 1 | Messrs. Ricksmith, Pigg & Co.— 1,000 tons Coal @ 7/6 a ton | 375 | - | - |

LEDGER

| Dr. | | | | MESSRS. RICKSMITH, PIGG & Co. | | | | Cr. | | | | | |
|------|---|--------------|---|-------------------------------|----|----|------|-----|--------------------|---|------|----|----|
| 19.. | | | | £ | s. | d. | 19.. | | | | £ | s. | d. |
| Jan. | 1 | To Sales | . | 375 | - | - | Jan. | 1 | By Screening | . | 25 | - | - |
| " | 1 | " Wagon Hire | . | 37 | 10 | - | " | 1 | " Bills Receivable | . | 512 | 10 | - |
| " | 1 | " Carriage | . | 125 | - | - | | | | | | | |
| | | | | £537 | 10 | - | | | | | £537 | 10 | - |

NOTE.—The above "records" relate to only ONE month.

EXERCISE VI—No. 29

P'S LEDGER

| Dr. | | | Q | | | Cr. | | |
|--------|--------------------|-------------|----|---|--------|---------------------|-------------|------|
| Jan. 3 | To Goods | 600 | - | - | Jan. 3 | By Bills Receivable | 600 | - |
| May 3 | " Bills Receivable | 200 | | | May 3 | " Cash | 50 | |
| " 3 | " Interest | 1 | 17 | 6 | " 3 | " Bills Receivable | 151 | 17 6 |
| | | <u>£801</u> | 17 | 6 | | | <u>£801</u> | 17 6 |

| Dr. | | BILLS RECEIVABLE ACCOUNT | | | | | | | | | | Cr. | | | |
|------|---|--------------------------|---|---|----|------|----|---|------|----|------------|-----|------|----|---|
| | | | | £ | s. | d. | | | | | £ | s. | d. | | |
| Jan. | 3 | To Q. | . | . | . | 600 | - | - | Jan. | 7 | By Bank | . | 199 | 5 | 8 |
| May | 3 | " Q. | . | . | . | 151 | 17 | 6 | | | " Discount | . | | 14 | 4 |
| | | | | | | | | | Apr. | 3 | " Bank | . | 200 | - | - |
| | | | | | | | | | May | 3 | " Q. | . | 200 | - | - |
| | | | | | | | | | | 10 | " Bank | . | 150 | 5 | 9 |
| | | | | | | | | | | | " Discount | . | 1 | 11 | 9 |
| | | | | | | £751 | 17 | 6 | | | | | £751 | 17 | 6 |

| Dr. | | DISCOUNT AND INTEREST ACCOUNT | | | | | | Cr. | |
|--------|---------------------|-------------------------------|----|----|-------|-------------------|----|-----|----|
| | | £ | s. | d. | | | £ | s. | d. |
| Jan. 7 | To Bills Receivable | | 14 | 4 | May 3 | By Q | | 1 | 17 |
| May 10 | „ Bills Receivable | 1 | 11 | 9 | „ 10 | „ Profit and Loss | | 8 | 6 |
| | | £2 | 6 | 1 | | | £2 | 6 | 1 |

PROFIT AND LOSS ACCOUNT

| | | £ | s. | d. | | |
|--------|--|---|----|----|--|--|
| May 10 | To Discount and Interest Account | | 8 | 7 | | |

EXERCISE VI—No. 30.

See Answers at end of *Advanced Accounts*.

EXERCISE VII—No. 1.

R. RANDOM & SONS' JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|--|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Sept. 1 | Consignment Account. | 578 | — | — | | | |
| | To Goods on Consignment | | | | 500 | — | — |
| | ,, Freight | | | | 60 | — | — |
| | ,, Insurance | | | | 18 | — | — |
| | For invoice value of goods shipped to Paul Gold, Capetown. | | | | | | |
| Oct. 28 | Paul Gold | 460 | — | — | 460 | — | — |
| | To Consignment Account | | | | | | |
| | Consignment Account. | 35 | — | — | 35 | — | — |
| | To Paul Gold | | | | | | |
| | For expenses £10 and commission £25. | | | | | | |
| Oct. 28 | Bills Receivable. | 425 | — | — | 425 | — | — |
| | To Paul Gold | | | | | | |
| Nov. 2 | Paul Gold | 320 | — | — | 320 | — | — |
| | To Consignment Account | | | | | | |
| | Consignment Account. | 18 | — | — | 18 | — | — |
| | To Paul Gold | | | | | | |
| | For expenses £8 and commission £10. | | | | | | |
| Nov. 2 | Bills Receivable. | 302 | — | — | 302 | — | — |
| | To Paul Gold | | | | | | |
| | | £2,138 | — | — | £2,138 | — | — |

R. RANDOM'S LEDGER

| Dr. | | | | CONSIGNMENT ACCOUNT | | | | Cr. | | | |
|---------|--|------|----|---------------------|---------|---|------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Sept. 1 | To Goods on Consignment | 500 | — | — | Oct. 28 | By P. Gold | 460 | — | — | | |
| " | " Freight | 60 | — | — | " | " Goods on Consignment unsold c/d | 280 | — | — | | |
| " | " Insurance | 18 | — | — | | (including proportion of expenses) | | | | | |
| Oct. 28 | " P. Gold | 35 | — | — | | | | | | | |
| " | " Balance c/d | 127 | — | — | | | | | | | |
| | (Profit for period) | | | | | | | | | | |
| | | £740 | — | — | | | £740 | — | — | | |
| Oct. 28 | To Balance b/d | 280 | — | — | Oct. 28 | By Balance b/d | 127 | — | — | | |
| | (unsold Goods) | | | | | (Profit on part sale of Goods) | | | | | |
| Nov. 2 | " P. Gold | 18 | — | — | Nov. 2 | " P. Gold | 320 | — | — | | |
| " | " Balance to Profit and Loss | 149 | — | — | | | | | | | |
| | | £447 | — | — | | | £447 | — | — | | |

EXERCISE VII—No. 1 (*contd.*).

| <i>Dr.</i> | | PAUL GOLD | | | | <i>Cr.</i> | | |
|------------|----------------------|-----------|----|----|---------|------------------------|------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Oct. 28 | To Consignment . . . | 460 | — | — | Oct. 28 | By Consignment . . . | 35 | — |
| | | | | | | „ Bills Receivable . . | 425 | — |
| | | £460 | — | — | | | £460 | — |
| Nov. 2 | To Consignment . . . | 320 | — | — | Nov. 2 | By Consignment . . . | 18 | — |
| | | | | | | „ Bills Receivable . . | 302 | — |
| | | £320 | — | — | | | £320 | — |

| <i>Dr.</i> | | BILLS RECEIVABLE ACCOUNT | | | | <i>Cr.</i> | |
|------------|----------------------|--------------------------|----|----|--|------------|--|
| 19.. | | £ | s. | d. | | | |
| Oct. 28 | To P. Gold | 425 | — | — | | | |
| Nov. 2 | „ „ | 302 | — | — | | | |

| Dr. | | FREIGHT AND INSURANCE ACCOUNT | | | | | Cr. | | |
|------|--|-------------------------------|--|--|---------|----------------------|------|-----------|--|
| 19.. | | | | | 19.. | | | | |
| | | | | | Sept. 1 | By Consignment . . . | £ 78 | s. d. - - | |

(Note.—Expenses assumed to have not been paid.)

EXERCISE VII—No. 2.

DELMARINE BROS.' JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|---|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Oct. 15 | Consignment Account. | 1,950 | — | — | 1,950 | — | — |
| | To Goods on Consignment | | | | | | |
| | For shipment of 60 cases mixed Sheffield goods at £32 10s. per case to Donnison & Sons, Port Elizabeth. | | | | | | |
| Dec. 19 | Donnison & Sons | 2,855 | — | — | 2,855 | — | — |
| | To Consignment | | | | | | |
| | For gross proceeds of sale of goods consigned to him as per account sales. | | | | | | |
| „ 19 | Consignment | 125 | 11 | 6 | 125 | 11 | 6 |
| | To Donnison & Sons | | | | | | |
| | For expenses and commission as per account sales. | | | | | | |
| | | £4,930 | 11 | 6 | £4,930 | 11 | 6 |

An ACCOUNT SALES is a document containing particulars of the Gross proceeds of the consignment sold, together with details of expenses, charges, and commission in connection therewith. The document is prepared by the CONSIGNEE.

EXERCISE VII—No. 2 (*contd.*).

A CONSIGNMENT ACCOUNT is raised in the CONSIGNOR's Ledger, and contains particulars of—

- (a) Goods sent out on consignment.
- (b) Particulars of their sale by agent.
- (c) Particulars of expenses, charges, and commission in connection with above.

ACCOUNT SALES OF 60 CASES MIXED SHEFFIELD GOODS, sold on account and risk of Messrs. Delmaine Bros., London.

| 19.. | | £ | s. | d. | £ | s. | d. |
|-----------|--|----|----|----|--------|----|----|
| Dec. 15 | 30 cases Mixed Sheffield Goods @ £45 per case | | | | 1,350 | — | — |
| „ 17 | 25 cases Mixed Sheffield Goods @ £50 per case. | | | | 1,250 | — | — |
| „ 19 | 5 cases Mixed Sheffield Goods @ £51 per case. | | | | 255 | — | — |
| | | | | | 2,855 | — | — |
| | CHARGES. | | | | | | |
| | Storage | 16 | 12 | — | | | |
| | Landing Charges | 6 | 10 | — | | | |
| | Insurance | 2 | 11 | — | | | |
| | Commission—2% of £2,855 | 57 | 2 | — | | | |
| | Del credere Commission—1½% of £2,855 | 42 | 16 | 6 | | | |
| | | | | | 125 | 11 | 6 |
| | <i>Net Proceeds</i> | | | | 2,729 | 8 | 6 |
| | Bill drawn Nov. 1 | | | | 1,000 | — | — |
| E. & O.E. | Port Elizabeth, 19th December, 19.. | | | | £1,729 | 8 | 6 |
| | Donnison & Son | | | | | | |

BILLS RECEIVABLE BOOK

| Date. | No. of Bill. | From whom Received | Term. | Due Date. | Fol. | Discount. | Amount. |
|--------|--------------|--------------------|-------|-----------|------|-----------|-----------|
| 19.. | | | | | | £ s. d. | £ s. d. |
| Nov. 1 | 1 | Donnison & Sons. | | | | | 1,000 — — |

DELMINE BROS.' LEDGER

| Dr. | | CONSIGNMENT ACCOUNT | | | | | | Cr. | |
|---------|--|---------------------|----------|----------|---------|---------------------------------|---------------|----------|----------|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Oct. 15 | To Goods on Consignment | 1,950 | — | — | Dec. 19 | By D. Donnison & Sons | 2,855 | — | — |
| | " Cash | 68 | 19 | — | | | | | |
| Dec. 19 | " D. Donnison | 125 | 11 | 6 | | | | | |
| " | " Balance to Profit and Loss | 710 | 9 | 6 | | | | | |
| | | <u>£2,855</u> | <u>—</u> | <u>—</u> | | | <u>£2,855</u> | <u>—</u> | <u>—</u> |

EXERCISE VII—No. 2 (contd.).

| Dr. | | D. DONNISON & SONS | | | | | Cr. | | |
|---------|----------------|--------------------|----|----|---------|---------------------|--------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 19 | To Consignment | 2,855 | — | — | Nov. 1 | By Bills Receivable | 1,000 | — | — |
| | | | | | Dec. 19 | " Consignment | 125 | 11 | 6 |
| | | | | | " | " Balance c/d | 1,729 | 8 | 6 |
| | | £2,855 | — | — | | | £2,855 | — | — |
| Dec. 19 | To Balance b/d | 1,729 | 8 | 6 | | | | | |

| Dr. | | BILLS RECEIVABLE ACCOUNT | | | | | Cr. | | |
|--------|-----------------------|--------------------------|----|----|--|--|-----|--|--|
| 19.. | | £ | s. | d. | | | | | |
| Nov. 1 | To D. Donnison & Sons | 1,000 | — | — | | | | | |

| Dr. | | CASH BOOK | | | | | Cr. | | |
|-----|--|-----------|--|--|---------|-----------------|-----|----|----|
| | | | | | 19.. | | £ | s. | d. |
| | | | | | Oct. 15 | By Consignment— | | | |
| | | | | | | Insurance | 10 | 12 | — |
| | | | | | | Freight | 54 | 12 | — |
| | | | | | | Sundry Chgs. | 3 | 15 | — |

EXERCISE VII—No. 3.

J. MOSS & CO.'s JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|---|--------|----|----|--------|----|----|
| | Consignment Account. | 1,500 | — | — | | | |
| | To Goods on Consignment | | | | 1,500 | — | — |
| | For goods sent to J. Solomon, Hong Kong. | | | | | | |
| | Bills Receivable. | 1,300 | — | — | | | |
| | To J. Solomon | | | | 1,300 | — | — |
| | J. Solomon | 1,729 | — | — | | | |
| | To Consignment | | | | 1,729 | — | — |
| | For gross proceeds as per account sales. | | | | | | |
| | Consignment Account. | 71 | — | — | | | |
| | To J. Solomon | | | | 71 | — | — |
| | For expenses and commission as per account sales. | | | | | | |
| | Consignment Account. | 15 | — | — | | | |
| | To Bankers' Discount | | | | 15 | — | — |
| | For loss on bill discounted. | | | | | | |
| | | £4,615 | — | — | £4,615 | — | — |

| Dr. | | CASH BOOK | | | | Cr. | | | |
|------|---------------------------|-----------|----|----|------|--|--------|----|----|
| | | Bank. | | | | Bank. | | | |
| 19.. | To Bills Receivable . . . | £ | s. | d. | 19.. | By Consignment A/c— (Freight, Insur., etc.) | £ | s. | d. |
| | „ J. Solomon (Sgt. Dft.) | 1,300 | — | — | | „ Bankers' Discount . . | 55 | — | — |
| | | 358 | — | — | | „ Balance c/d . . . | 15 | — | — |
| | | | | | | | 1,588 | — | — |
| | | £1,658 | — | — | | | £1,658 | — | — |

[illegible]

| <i>Dr.</i> | | | | <i>J. SOLOMON</i> | | <i>Cr.</i> | | | |
|------------|----------------|---------------|----------|-------------------|------|---------------------|---------------|----------|----------|
| 19.. | To Consignment | £1,729 | s. - | d. - | 19.. | By Bills Receivable | £1,300 | s. - | d. - |
| | | | | | | " Consignment | 71 | - | - |
| | | | | | | " Cash | 358 | - | - |
| | | <u>£1,729</u> | <u>-</u> | <u>-</u> | | | <u>£1,729</u> | <u>-</u> | <u>-</u> |

| <i>Dr.</i> | | | BILLS RECEIVABLE ACCOUNT | | | <i>Cr.</i> | | | |
|------------|-------------------|--------------------|--------------------------|-----------------|------|--------------|--------------------|-----------------|-----------------|
| 19.. | To J. Solomon . . | <u>£ 1,300</u> | <u>s. -</u> | <u>d. -</u> | 19.. | By Bank. . . | <u>£ 1,300</u> | <u>s. -</u> | <u>d. -</u> |

| Dr. | BANKERS' DISCOUNT ACCOUNT | | | | | | Cr. | |
|------|---------------------------|----------|-----------|-----------|------|------------------|-----------|-----------|
| 19.. | | <u>£</u> | <u>s.</u> | <u>d.</u> | 19.. | <u>£</u> | <u>s.</u> | <u>d.</u> |
| | To Bank | 15 | — | — | | By Consignment . | 15 | — |
| | | <hr/> | <hr/> | <hr/> | | | <hr/> | <hr/> |

EXERCISE VII—No. 4.

JOINT VENTURE ACCOUNT
(AN ACCOUNT OF SPECULATION IN TIMBER
BY T. TOHM AND F. FRIEDLEY)

| <i>Dr.</i> | | | | | <i>Cr.</i> | | | | |
|---|---|---------------|----|----|------------|-------------------|-------|----|---|
| (AN ACCOUNT OF SPECULATION IN TIMBER BY T. TOHM AND F. FRIEDLEY) | | | | | | | | | |
| | | £ | s. | d. | | £ | s. | d. | |
| 19.. | | | | | 19.. | | | | |
| Jan. 20 | To A. Russphy . . | 687 | 16 | — | Feb. 21 | By Cash | 175 | 2 | 5 |
| " 23 | " Loading | 36 | 15 | 6 | Mar. 27 | " F. Turner . . . | 420 | — | — |
| " 31 | " Freight to London | 123 | 14 | 5 | Apr. 15 | " L. Loti | 1,472 | 10 | 6 |
| Feb. 26 | " Cash | 1,027 | — | — | May 31 | " F. Friedley . . | 320 | 8 | — |
| Mar. 25 | " Shipping Charges and Freight . . | | | | | (a partner) | | | |
| | | 225 | 10 | 11 | | | | | |
| May 31 | " Int. on Cap. A/cs T. Tohm (136 days) . . | 8 | 7 | 8 | | | | | |
| | " F. Friedley (136 days) . . | 10 | 4 | 11 | | | | | |
| " 31 | " Balance (Profit) to Capital A/cs: T. Tohm: 2/3 share . . . | 120 | 17 | 2 | | | | | |
| | " F. Friedley: 1/3 share . . . | 147 | 14 | 4 | | | | | |
| | | <u>£2,388</u> | — | 11 | | <u>£2,388</u> | — | 11 | |

| Dr. | | T. TOHM—NORWAY | | | | | Cr. | | |
|--------|--------------------|----------------|----|----|---------|---------------------|-------------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| May 20 | To Balance c/d . . | 579 | 4 | 10 | Jan. 15 | By Cash | 450 | — | — |
| | | | | | May 31 | " Interest | 8 | 7 | 8 |
| | | | | | | (for 136 days) | | | |
| | | | | | " 31 | " Share of Profit . | 120 | 17 | 2 |
| | | | | | | (2/3 of £268.11/6) | | | |
| | | <u>£579</u> | 4 | 10 | | | <u>£579</u> | 4 | 10 |
| May 31 | To Cash | <u>£579</u> | 4 | 10 | May 31 | By Balance b/d . . | <u>£579</u> | 4 | 10 |

EXERCISE VII—No. 4 (*contd.*)

| <i>Dr.</i> | | | F. FRIEDLEY—ENGLAND | | | <i>Cr.</i> | | |
|------------|----------------------------|------|---------------------|----|---------|---------------------------------|------|----|
| 19.. | | | £ | s. | d. | 19.. | | |
| May 31 | To Joint Venture | 320 | 8 | — | Jan. 15 | By Cash | £550 | — |
| | (Timber taken over) | | | | May 31 | „ Interest | 10 | 4 |
| „ 31 | „ Balance c/d | 387 | 11 | 3 | „ 31 | „ (for 136 days) | 147 | 14 |
| | | | | | | „ Share of Profit | | 4 |
| | | | | | | ($\frac{11}{10}$ of £238/11,6) | | |
| | | £707 | 19 | 3 | | | £707 | 19 |
| | | | | | | | | 3 |
| May 31 | To Cash | 387 | 11 | 3 | May 31 | By Balance b/d | £387 | 11 |
| | | | | | | | | 3 |

| <i>Dr.</i> | | | CASH BOOK | | | <i>Cr.</i> | | |
|------------|------------------------------|--------|-----------|----|---------|--|--------|----|
| 19.. | | | £ | s. | d. | 19.. | | |
| Jan. 15 | To <i>Capital Accounts</i> | | | | Jan. 23 | By <i>Joint Venture</i> — | | |
| | T. Tohm | 450 | — | — | | Loading | 36 | 15 |
| | F. Friedley | 550 | — | — | „ 31 | Freight to London | 123 | 14 |
| Feb. 21 | „ Joint Venture | 175 | 2 | 5 | Feb. 26 | „ Joint Venture | 1,027 | — |
| May 18 | „ Bills Receivable | 1,472 | 10 | 6 | Mar. 25 | „ Shipping Charges and Freight | 225 | 10 |
| | (L. Loti's acceptance) | | | | Apr. 24 | „ Bills Payable | 687 | 16 |
| „ 30 | „ Bills Receivable | 420 | — | — | | (Our acceptance to P. Rus-sphy) | | — |
| | (F. Turner's acceptance) | | | | May 31 | „ Balance c/d | 966 | 16 |
| | | | | | | | | 1 |
| | | £3,067 | 12 | 11 | | | £3,067 | 12 |
| | | | | | | | | 11 |
| May 31 | To Balance b/d | 966 | 16 | 1 | May 31 | To <i>Capital Accounts</i> | | |
| | | | | | | T. Tohm | 579 | 4 |
| | | | | | | F. Friedley | 387 | 11 |
| | | £966 | 16 | 1 | | | £966 | 16 |
| | | | | | | | | 1 |

EXERCISE VII—No. 5 (*contd.*)

P. POTTER'S LEDGER

| Dr. | | CONSIGNMENT ACCOUNT | | | | | Cr. | | |
|---------|-----------------------------------|---------------------|----|----|---------|---------------|--------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| July 1 | To Goods on C/mnt | 3,018 | 15 | — | Sept. 1 | By Kettlewell | 3,406 | 2 | 3 |
| " 1 | " Cash | 175 | 15 | 9 | | | | | |
| Oct. 30 | " Loss on Exchange | 48 | 19 | 2 | | | | | |
| " 30 | " Balance (gain) to Profit & Loss | 162 | 12 | 4 | | | | | |
| | | £3,406 | 2 | 3 | | | £3,406 | 2 | 3 |

| Dr. | | | | K. KETTLEWELL | | | | Cr. | | | |
|---------|----------------|-------|----|---------------|---------|---------------------|-------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Sept. 1 | To Consignment | 3,406 | 2 | 3 | Sept. 1 | By Bills Receivable | 3,406 | 2 | 3 | | |

| Dr. | | BILLS RECEIVABLE ACCOUNT | | | | | | Cr. | | |
|---------|------------------|--------------------------|----------|----------|---------|---------------------------------------|---------------|----------|----------|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | |
| Sept. 1 | To K. Kettlewell | 3,406 | 2 | 3 | Oct. 30 | By Cash | 3,357 | 3 | 1 | |
| | | | | | " 30 | " Difference in Ex- change (Loss). | 48 | 19 | 2 | |
| | | <u>£3,406</u> | <u>2</u> | <u>3</u> | | | <u>£3,406</u> | <u>2</u> | <u>3</u> | |

| Dr. | | CASH BOOK | | | | | | Cr. | | |
|---------|----------------------|-----------|----|----|--------|-------------------------------------|-----|-----|----|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | |
| Oct. 30 | To Bills Receivable. | 3,357 | 3 | 1 | July 1 | By Consignment (Freight & Chgs.) | 175 | 15 | 9 | |

EXERCISE VII—No. 6.

B. BAILEY'S LEDGER

| Dr. | | | | JOINT VENTURE ACCOUNT | | | | Cr. | | | |
|---------|---|---------------|-----------|-----------------------|---------|------------------|---------------|-----------|----------|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| May 2 | To Goods on Joint A/c | 2,000 | — | — | July 31 | By L. Phipps | 4,896 | 18 | 2 | | |
| " 2 | " Stock | 750 | — | — | | (Gross proceeds) | | | | | |
| " 2 | " Expenses of Purchase (2% of £2,000) | 40 | — | — | | | | | | | |
| July 31 | " Expenses of Sale (3% of £4,896/18/2) | 146 | 18 | 2 | | | | | | | |
| " 31 | " L. Phipps ($\frac{1}{7}$ of £1,980) | 691 | 15 | 4 | | | | | | | |
| " 31 | " Balance to Profit and Loss | 1,268 | 4 | 8 | | | | | | | |
| | | <u>£4,896</u> | <u>18</u> | <u>2</u> | | | <u>£4,896</u> | <u>18</u> | <u>2</u> | | |

Note. £4,750 = $\frac{97}{100}$ of Sale Price of Goods. Hence, to arrive at Gross Proceeds, £4,750 must be multiplied by $\frac{100}{97}$.

EXERCISE VII - No. 7.

S.S. "QUEENIE"

NET REVENUE ACCOUNT

Cr.

Dr.

| | Dr. | | | Cr. | | |
|---------------------------|-----|----|----|---------|----|----|
| | £ | s. | d. | £ | s. | d. |
| To Revenue Account, No. 5 | . | . | . | 1,763 | 10 | 8 |
| " Revenue Account, No. 8 | . | . | . | 1,942 | 16 | 7 |
| " Balance | . | . | . | 2,146 | 3 | 10 |
| (distributable profit) | . | . | . | 3,730 | 14 | 4 |
| | | | | 5,018 | 18 | 8 |
| | | | | 2,345 | 6 | 7 |
| | | | | £16,947 | 10 | 8 |

Note.—Each owner of part of ship will receive $\frac{1}{4}$ of £15,403 $\frac{2}{3}$, that is, £240/14/7.

S.S. "PETRELLE"

Voyage Account

| | f. | s. | d. | £ | s. | d. | By Freight's Earned— A to L L to M M to N N to O | £ | s. | d. | 8 7 25 |
|---|-----------------------------|----------------------|-------------------|--------|----|----|--|---|----|----|--------------|
| To Port Expenses at K— Port Charges and Disbursements Cash to Captain Advances to Crew | 752 42 68 | 10 12 13 | 11 4 4 | | | | . | | | | |
| " Port Expenses at L— Port Charges and Disbursements Funeral Expenses General Average Charges Tobacco | 1,275 47 896 7 | 15 2 3 2 | 6 8 8 6 | | | | . | | | | 13,247 |
| " Port Expenses at M— Cash to Captain Port Charges and Disbursements Claims on Cargo Advances to Crew | 110 375 92 45 | 2 19 1 — | 7 9 10 — | | | | . | | | | 25 |
| " Port Expenses at N— Port Charges and Disbursements Cash to Captain Sundry Stores | 37 25 11 | 15 14 3 | 4 4 9 | | | | . | | | | 9 |
| " Port Expenses at O— Port Charges and Disbursements Advances to Crew Tobacco | 298 25 — | 18 — — | 8 — 7 | | | | . | | | | 8 |
| Total Port Expenses | | | | 327 | 10 | 3 | | | | | |
| Outfit and Provisions | 4,114 | 16 | 2 | | | | | | | | |
| Wages (less forfeited Wages) | 793 | 15 | 5 | | | | | | | | |
| Insurance Premium— Freight and Disbursements Protection Indemnity Extra Insurance at N— | 1,867 1,956 156 15 | 16 12 13 15 | 4 2 9 — | | | | | | | | |
| Commissions— Charterer's Management (2% of £13,247/9/8) Brokerage Profit on Voyage | 2,129 786 264 — | — 17 19 — | — 3 — — | | | | | | | | |
| | | | | 1,051 | 16 | 3 | | | | | |
| | | | | 72 | 5 | 6 | | | | | |
| | | | | 3,248 | 4 | 4 | | | | | |
| | | | | 13,279 | 14 | 11 | | | | | |
| | | | | £ | | | | | | | |

This is as Example on pages 235 and 236 of *Advanced Accounts*, except that it uses double the figures employed in the Example.

THE GLENISLA STEAMSHIP CO., LTD.

VOYAGE ACCOUNT OF S.S. "GLENISLA," FROM 27TH FEBRUARY, 19.., TO 28TH APRIL, 19...

| To Stores Accounts | £ | s. | d. |
|--|-----------|----------|--------|
| " Port Chgs. (trimming Coal, etc., Cardiff) | | | |
| " Captain's Accounts for Harbour Wages, etc., Cardiff | | | |
| " Bunker Coal, as per Engineers' Receipt: 279 tons @ 9/- 154 " @ 8/11½ | 125 68 | 11 16 | - 5 |
| " Discharging at Genoa | | | |
| " Agents' Disbursements, Genoa | | | |
| Deducted from freight remitted (exch. 27-22) lire 3012·80) | | | |
| " Captain's Expenses, Genoa | | | |
| " Stevedore at Agua Amarga, for load- ing 3,660 tons Ore. | | | |
| " Dispatch Money | | | |
| " Interest on Advance | | | |
| " Captain's Expenses | | | |
| " Agents' Accounts for Port Charges, Agency, etc., exclusive of Address, Commission, and Brokerage | | | |
| (exch. 26-75) pesetas 2,964·88 | | | |
| " Bunker Coals at Portland | | | |
| (20 tons @ 18/6) | | | |
| " Port Charges at Portland | | | |
| " Patch Money at Barrow | | | |
| " Captain's Portage Bill | | | |
| " Overlooker's Expenses | | | |
| " Address Commission— 2% of £1,395/12/6 | 27 | 18 | 2 |
| 2¼ % of £1,509/15/- | 37 | 14 | 10 |
| " Brokers— 5% of £1,395/12/6. | 69 | 15 | 7 |
| ¾ of 5% of £1,509/15/- | 25 | 3 | 3 |
| " Insurance Premium | | | |
| (2 mos. @ £1,952/10/8 p.a.) | | | |
| " Managing Owner's Commission | | | |
| (2/6 per gross register ton p.a.) | | | |
| " Profit on Voyage | | | |
| Total | £2,928 | 12 | 8 |

LINKLEY STEAM NAVIGATION CO.

Ex.

[illegible]

EXERCISE VII—No. 11 (contd.).

LINKLEY STEAM NAVIGATION CO.—(contd.)

Dr.

BALANCE SHEET AS AT 31ST MAY, 19..

Cr.

| LIABILITIES. | | £ | | s. d. | | £ | | s. d. | | Assets. | | £ | | s. d. | | f. s. d. | |
|---------------------------------------|---|-------|----|-------|--|----------|----|-------|--|------------------|---|---|--|-------|--|----------|------|
| Proprietors' Capital | . | | | | | 150,000 | — | 8 | | Steamers. | . | | | | | 190,000 | — |
| Bank Overdraft—A. & M. Bank Co. | . | | | | | 2,516 | 14 | 8 | | Debtors | . | | | | | 7,508 | 18 |
| Bills Payable | . | | | | | 2,465 | 18 | 9 | | Bills Receivable | . | | | | | 658 | 10 |
| Mortgage | . | | | | | 7,000 | — | — | | | . | | | | | | — |
| Sundry Creditors | . | | | | | 4,323 | 17 | 7 | | | . | | | | | | — |
| Underwriting Account | . | | | | | | | | | | | | | | | | — |
| Add Transfer from Net Revenue A/c | . | 2,500 | — | 5 | | | | | | | | | | | | | — |
| | | 1,310 | 17 | 5 | | | | | | | | | | | | | — |
| Management Commission Outstanding. | . | | | | | 3,810 | 17 | 5 | | | | | | | | | — |
| Freight Reserve (uncompleted Voyages) | . | | | | | 1,245 | 6 | 6 | | | | | | | | | — |
| Net Revenue Account (Balance) | . | | | | | 3,146 | 10 | 2 | | | | | | | | | — |
| | | | | | | 23,661 | 3 | 10 | | | | | | | | | — |
| | | | | | | £198,167 | 8 | 11 | | | | | | | | £198,167 | 8 11 |

EXERCISE VII—No. 12.

| <i>Dr.</i> | | THE HANSARD ESTATE ACCOUNT | | | | | | <i>Cr.</i> | | |
|------------|--------------------|----------------------------|--------|----|----|----------|--------------------|------------|----|----|
| 19.. | | | £ | s. | d. | 19.. | | £ | s. | d. |
| July 1 | To Balance . . . | | 3,175 | 6 | 2 | Aug. 20 | By Sundry Debtors. | 730 | 16 | 3 |
| Aug. 2 | " Insurance . . . | | 165 | 6 | 6 | Sept. 25 | " " " . | 625 | 2 | - |
| " 2 | " Commission . . . | | 8 | 10 | - | | | | | |
| " 2 | " Insurance . . . | | 31 | 3 | - | | | | | |
| " 2 | " Commission . . . | | 3 | - | - | | | | | |
| " 18 | " J. Gray . . . | | 173 | 15 | - | | | | | |
| " 23 | " Smith . . . | | 42 | 14 | - | | | | | |
| Sept. 20 | " Goods . . . | | 537 | 6 | 2 | | | | | |
| | | | £4,137 | - | 10 | | | £1,355 | 18 | 3 |

| <i>Dr.</i> | | J. & W. SHIRLEY | | | | | | <i>Cr.</i> | | |
|------------|----------------------|-----------------|------|----|----|----------|--------------------|------------|----|----|
| 19.. | | | £ | s. | d. | 19.. | | £ | s. | d. |
| Aug. 17 | To Bills Payable . . | | 220 | 14 | - | Sept. 20 | By Balance c/d . . | 950 | 15 | - |
| " 17 | " " " . . . | | 170 | - | - | | | | | |
| Sept. 10 | " " " . . . | | 120 | - | - | | | | | |
| " 20 | " Goods . . . | | 440 | 1 | - | | | | | |
| | | | £950 | 15 | - | | | £950 | 15 | - |
| Sept. 20 | To Balance b/d . . | | 950 | 15 | - | | | | | |

EXERCISE VII—No. 13.

BALANCE SHEET

| LIABILITIES. | | | | ASSETS. | | | |
|----------------------|---|--------|---|-----------------------|---|--------|---|
| Sundry Creditors . . | £ | 6,000 | - | Cash | £ | 18,700 | - |
| Capital Accounts— | | | | Bills Receivable. . . | | 7,800 | - |
| W. James | | 2,050 | - | | | | |
| F. Edwards | | 4,100 | - | | | | |
| Morrison & Co. . . . | | 8,200 | - | | | | |
| Peters & Son | | 6,150 | - | | | | |
| | £ | 26,500 | - | | £ | 26,500 | - |

EXERCISE VII—No. 13 (*contd.*).

JOURNAL ENTRIES

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|--|----------|----|----|--------|----|----|
| | S.S. <i>Enid</i> | 20,000 | — | — | | | |
| | To Capital Accounts— | | | | | | |
| | W. James | | | | 2,000 | — | — |
| | F. Edwards | | | | 4,000 | — | — |
| | Morrison & Co. | | | | 8,000 | — | — |
| | Peters & Son | | | | 6,000 | — | — |
| | | | | | | | |
| | Cargo Account | 6,000 | — | — | | | |
| | To Sundry Creditors | | | | 6,000 | — | — |
| | | | | | | | |
| | Voyage Account | 7,400 | — | — | | | |
| | To Cargo | | | | 6,000 | — | — |
| | " Cash | | | | 400 | — | — |
| | (Insurances on— | | | | | | |
| | Cargo, 1% of £7,000 | £ 70 | | | | | |
| | S.S. <i>Enid</i> , 1½% of £22,000 | 330 | | | | | |
| | " S.S. <i>Enid</i> | | | | 1,000 | — | — |
| | | | | | | | |
| | Cargo (Net Proceeds of Sale thereof) | 7,000 | — | — | | | |
| | Cash (Freight Outwards) | 100 | — | — | | | |
| | " (" Homewards) | 800 | — | — | | | |
| | To Voyage Account | | | | 7,900 | — | — |
| | | | | | | | |
| | Cash | 19,000 | — | — | | | |
| | Voyage Account | 1,000 | — | — | | | |
| | To S.S. <i>Enid</i> | | | | 20,000 | — | — |
| | | | | | | | |
| | Sundry Debtors | 7,800 | — | — | | | |
| | To Cargo Account | | | | 7,000 | — | — |
| | " Freights Earned (Homewards) | | | | 800 | — | — |
| | | | | | | | |
| | Bills Receivable | 7,800 | — | — | | | |
| | To Sundry Debtors | | | | 7,800 | — | — |
| | | | | | | | |
| | Voyage Account | 500 | — | — | | | |
| | To Capital Accounts— | | | | | | |
| | W. James | | | | 50 | — | — |
| | F. Edwards | | | | 100 | — | — |
| | Morrison & Co. | | | | 200 | — | — |
| | Peters & Son | | | | 150 | — | — |
| | | | | | | | |
| | | £ 77,400 | — | — | 77,400 | — | — |

EXERCISE VII—No. 14.

| <i>Dr.</i> | | CONSIGNMENT ACCOUNT | | | | | <i>Cr.</i> | | |
|------------|-------------------------|---------------------|--------------|-----------|-----------|----------------|--------------|-----------|-----------|
| | | | <i>£</i> | <i>s.</i> | <i>d.</i> | | <i>£</i> | <i>s.</i> | <i>d.</i> |
| Jan. 1 | To Goods on Consignment | . | 357 | 11 | — | | | | |
| " 1 | " Shipping Charges | . | 6 | 10 | — | By Hertz & Co. | 540 | — | — |
| " 1 | " Insurance | . | 1 | 2 | 6 | | | | |
| " 1 | " Freight | . | 7 | 12 | 6 | | | | |
| Feb. 17 | " Hertz & Co. | . | 41 | 9 | — | | | | |
| " 17 | " Balance, profit | . | 125 | 15 | — | | | | |
| | | | <i>£</i> 540 | — | — | | <i>£</i> 540 | — | — |

EXERCISE VII—No. 15.

CONSIGNORS' JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|---|------|----|----|------|----|----|
| 19.. | | | | | | | |
| Jan. 1 | Consignment | 235 | 3 | — | 235 | 3 | — |
| | To Goods on Consignment | | | | | | |
| | For 8 cases (various) shipped per S.S. <i>Ballarat</i> detailed in invoice bearing above date and sent to Messrs. Ardkashir & Byjamji, of Bombay. | | | | | | |
| Mar. 13 | Ardkashir & Byjamji | 329 | — | — | 329 | — | — |
| | To Consignment | | | | | | |
| | For amount of sales of consignment as per Account Sales. | | | | | | |
| „ 13 | Consignment Account. | 34 | 5 | 8 | 34 | 5 | 8 |
| | To Messrs. Ardkashir & Byjamji | | | | | | |
| | For expenses and commission stated in Account Sales. | | | | | | |
| | | £598 | 8 | 8 | £598 | 8 | 8 |

CONSIGNEE'S JOURNAL

| | | Rs. | A. | P. | Rs. | A. | P. |
|---------|---|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Mar. 13 | Messrs. Faudel, Phillips & Sons | 246 | 12 | — | 246 | 12 | — |
| | To Commission | | | | | | |
| | 5% of Rs. 4,935. | | | | | | |
| | | Rs.246 | 12 | — | Rs.246 | 12 | — |

MESSRS. FAUDEL, PHILLIPS & SONS

Dr.

CASH BOOK

Cr.

| | | £ | s. | d. | | £ | s. | d. |
|---------|----------------------------------|-----|----|----|--------------------------------|----|----|----|
| 19.. | | | | | 19.. | | | |
| Mar. 13 | To Ardkashir & Byjamji | 294 | 14 | 4 | Jan. 1 | | | |
| | | | | | By Consignment— | | | |
| | | | | | 8 Packing Cases | 2 | 15 | — |
| | | | | | Cartage and Shipping | 1 | — | — |
| | | | | | Marine Insurance | 2 | 10 | — |
| | | | | | Freight | 13 | 10 | 11 |

For particulars, see Invoice, page 241 of textbook.

EXERCISE VII—No. 15 (*contd.*).

LEDGER

| <i>Dr.</i> | | | CONSIGNMENT ACCOUNT | | | <i>Cr.</i> | | |
|------------|---------------------------|------|---------------------|----|---------|------------------------|------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Jan. 1 | To Goods on C/memt. . | 235 | 3 | — | Mar. 13 | By Ardkashir & Byjamji | 329 | — |
| " 1 | " Cash | 19 | 15 | 11 | | | | |
| Mar. 13 | " Ardkashir & Byjamji | 34 | 5 | 8 | | | | |
| " 13 | " Bal. to Profit and Loss | 39 | 15 | 5 | | | | |
| | | £329 | — | — | | | £329 | — |

MESSRS. ARDKASHIR & BYJAMJI

| <i>Dr.</i> | | | CASH BOOK | | | <i>Cr.</i> | | |
|------------|--------------------|-------|-----------|----|---------|--|-------|----|
| 19.. | | Rs. | A. | P. | 19.. | Rs. | A. | P. |
| Mar. 13 | To Sales | 4,935 | — | — | Mar. 13 | By Messrs. Faudel, Phillips & Son— (For expenses as below) | | |
| | | | | | | Landing, Haulage, etc. | 18 | — |
| | | | | | | Duty, etc.—5% | 246 | 12 |
| | | | | | | Bank Brokerage, $\frac{1}{10}\%$ | 2 | 12 |
| | | | | | | By Faudel, Phillips & Son | 4,420 | 12 |

EXERCISE VII—No. 16.

FORM OF ACCOUNT SALES

ACCOUNT SALES of 400 tons IRON ex S.S. *Dilwara* sold by B. Ready of Capetown, for the account and risk of W. Smith, London.

| | | | | | | |
|--|----|----|----|-------|----|----|
| 400 tons, Iron @ £4/10/- per ton | £ | s. | d. | £ | s. | d. |
| | | | | 1,800 | — | — |
| Charges. | | | | | | |
| Disbursements | 20 | 16 | 8 | | | |
| Commission—2½% of £1,800 | 45 | — | — | | | |
| | | | | 65 | 16 | 8 |
| | | | | £ | | |
| | | | | 1,734 | 3 | 4 |
| E. & O.E. CAPETOWN, 20th February, 19.. | | | | | | |
| B. READY. | | | | | | |
| Draft forwarded for £1,734/3/4. | | | | | | |

EXERCISE VII—No. 16 (*contd.*).

FORM OF DRAFT (BANKER'S)

07812

THE BANK OF SOUTH AFRICA

L 27/8731

CAPETOWN, 20th February, 19..

To the CASHIERS of the BANK OF ENGLAND

On demand pay this FIRST of Exchange, second unpaid, to the order of W. Smith, One Thousand seven hundred and thirty-four pounds three shillings and fourpence Sterling, for value received.

For the BANK OF
SOUTH AFRICA

STAMP
2D.

.....Manager.

£1,734 : 3 : 4

.....Accountant.

W. SMITH'S LEDGER

| Dr. | | | | Cr. | | | |
|---------------------|-----------------------------|--------|-------|---------|--|--------|-------|
| CONSIGNMENT ACCOUNT | | | | | | | |
| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
| Jan. 1 | To 500 tons Iron @ £4 a ton | 2,000 | - - | Feb. 20 | By B. Ready (400 tons). (Iron @ £4½ a ton) | 1,800 | - - |
| " 1 | " B. Ready (charges) | 20 | 16 8 | " | " 100 tons Iron @ £4 a ton | 400 | - - |
| Feb. 20 | " B. Ready (2½% of £1,800) | 45 | - - | | | | |
| " 20 | " Bal. to Profit and Loss | 134 | 3 4 | | | | |
| | | £2,200 | - - | | | £2,200 | - - |

| Dr. | | | | Cr. | | | |
|----------|----------------|--------|-------|---------|-----------------------------|--------|-------|
| B. READY | | | | | | | |
| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
| Feb. 20 | To Consignment | 1,800 | - - | Feb. 20 | By Consignment (charges) | 20 | 16 8 |
| | | | | " 20 | By Consignment (Commission) | 45 | - - |
| | | | | " 20 | " Balance c/d | 1,734 | 3 4 |
| | | £1,800 | - - | | | £1,800 | - - |
| Feb. 20 | To Balance b/d | £1,734 | 3 4 | Feb. 20 | By Cash | £1,734 | 3 4 |

EXERCISE VII—No. 17.

JOURNAL ENTRIES

| | | £ | s. | d. | £ | s. | d. |
|---------|---|------|----|----|------|----|----|
| 19.. | | | | | | | |
| Dec. 20 | Joint Account | 299 | 1 | — | 299 | 1 | — |
| | To W. A. Sims | | | | | | |
| | For 159 cases of shells shipped by W. A. Sims per S.S. <i>Ajax</i> for sale of Joint Account. | | | | | | |
| 19.. | | | | | | | |
| Feb. 4 | W. A. Sims | 299 | 1 | — | 299 | 1 | — |
| | To Bills Payable | | | | | | |
| | For bill accepted (No. 319) presented by Chartered Bank. | | | | | | |
| Mar. 10 | Watts & Co. | 366 | 8 | — | 366 | 8 | — |
| | To Joint Account | | | | | | |
| | For sale of shells by Watts & Co. at auction. | | | | | | |
| „ 10 | Joint Account | 9 | 3 | 2 | 9 | 3 | 2 |
| | To Watts & Co. | | | | | | |
| | For commission charged by Watts & Co. | | | | | | |
| „ 26 | Joint Account | 9 | 16 | 1 | 9 | 16 | 1 |
| | To Commission | | | | | | |
| „ 26 | W. A. Sims | 5 | 3 | 7 | 5 | 3 | 7 |
| | To Joint Account | | | | | | |
| | For transfer of share of loss on venture. | | | | | | |
| | | £988 | 12 | 10 | £988 | 12 | 10 |

MESSRS. BURT & CO.'S LEDGER

| Dr. | | JOINT ACCOUNT | | | | | | Cr. | |
|---------|-----------------------|---------------|----|----|---------|---------------------------|------|-----|----|
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | | | | | 19.. | | | | |
| Dec. 20 | To W. A. Sims | 299 | 1 | — | Mar. 10 | By Watts & Co. | 366 | 8 | — |
| 19.. | | | | | „ 20 | „ Cash | 35 | — | — |
| Feb. 4 | „ Cash | 93 | 7 | 6 | „ 26 | „ W. A. Sims | 5 | 3 | 7 |
| Mar. 24 | „ Watts & Co. | 9 | 3 | 2 | | „ Bal. to Profit and Loss | 5 | 3 | 8 |
| „ 24 | „ Cash | | 7 | 6 | | | | | |
| „ 26 | „ Commission | | 9 | 16 | 1 | | | | |
| | | £411 | 15 | 3 | | | £411 | 15 | 3 |

EXERCISE VII—No. 17 (*contd.*).

MESSRS. BURTON & CO.

| Dr. | | CASH BOOK | | | | | | Cr. | |
|---------|---------------------------|-----------|----|----|--------|--|-----|-------|----|
| | | Bank. | | | | | | Bank. | |
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | | | | | 19.. | | | | |
| Mar. 17 | To Watts & Co. . . . | 357 | 4 | 10 | Feb. 4 | By Joint A/c (Freight) . | 93 | 7 | 6 |
| " 20 | " Joint Account . . . | 35 | - | - | Mar. 1 | " Bills Payable* . . . | 297 | 11 | 2 |
| | | | | | " 24 | " Cartage (charged against Joint A/c). | | 7 | 6 |
| | * Rebate on Bill £1/9/10. | | | | | | | | |

Note.—The rebate could be regarded as a gain to Joint Venture, as its negotiation was on account of venture.

EXERCISE VII—No. 18.

| Dr. | | CASH BOOK | | | | Cr. | | | |
|---------------------|-------------------------|-----------|----|----|---------|--|--------|----|----|
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | | | | | 19.. | | | | |
| May 1 | To J. Black's Capital . | 1,400 | — | — | May 1 | By Joint Account— | | | |
| " 1 | " E. Thompson's " | 1,000 | — | — | | (total amount remitted to agent for purchases of timber) | 1,900 | — | — |
| Dec. 31 | " Joint Account } A | 2,400 | — | — | " 1 | " Joint Account— | | | |
| " 31 | " " " } | 380 | — | — | | (Freight, Insurance, etc.). | 400 | — | — |
| | | | | | Dec. 31 | " Capital Accounts— | | | |
| | | | | | | Black | 1,400 | — | — |
| | | | | | | Thompson | 1,000 | — | — |
| | | | | | " 31 | " Capital Accounts— | | | |
| | | | | | | Black, $\frac{7}{12}$ | 280 | — | — |
| | | | | | | Thompson, $\frac{5}{12}$ | 200 | — | — |
| A. Sales of timber. | | £5,180 | — | — | | | £5,180 | — | — |

| Dr. | | JOINT ACCOUNT | | | | | | Cr. | |
|---------|-------------------------------|---------------|----|----|---------|---------------------|---------------|-----|----|
| 19. | | £ | s. | d. | 19. | | £ | s. | d. |
| May 1 | To Cash | 1,900 | — | — | Dec. 31 | By Cash | 2,400 | — | — |
| " 1 | " " " " | 400 | — | — | " 31 | " " " " " | 380 | — | — |
| Dec. 31 | " Bal. (Profit) to Cap. A/cs— | | | | | | | | |
| | Black, $\frac{7}{12}$ share | 280 | — | — | | | | | |
| | Thompson, $\frac{5}{12}$ " | 200 | — | — | | | | | |
| | | <u>£2,780</u> | — | — | | | <u>£2,780</u> | — | — |

| Dr. | | CAPITAL ACCOUNT | | | | Cr. | | | |
|---------|---------------------|-----------------|----|----|---------|---------------------------------|--------|----|----|
| | | JOHN BLACK | | | | | | | |
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | | | | | 19.. | | | | |
| Dec. 31 | To Cash | 1,400 | — | — | May 1 | By Cash | 1,400 | — | — |
| " 31 | " " " " " | 280 | — | — | Dec. 31 | " Joint Account . . . | 280 | — | — |
| | | | | | | (share of profit on venture) | | | |
| | | £1,680 | — | — | | | £1,680 | — | — |

EXERCISE VII—No. 18 (*contd.*).

| CAPITAL ACCOUNT | | | | | | | | | | |
|-----------------|-------------------|--------|---|----|-----|---------|---------------------------------|--------|----|----|
| Dr. | | | | | Cr. | | | | | |
| EDWARD THOMPSON | | | | | | | | | | |
| 19 . | | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 31 | To Cash | 1,000 | — | — | | May 1 | By Cash | 1,000 | — | — |
| " 31 | " " | 200 | — | — | | Dec. 31 | " Joint Account . . . | 200 | — | — |
| | | | | | | | (share of profit on venture) | | | |
| | | £1,200 | — | — | | | | £1,200 | — | — |

EXERCISE VII—No. 19.

J. M.S' BOOKS
JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|-----------------------------------|-----|--------|----|----|--------|----|----|
| Consignment | Dr. | 1,200 | — | — | | | |
| To Goods on Consignment | Cr. | | | | 1,200 | — | — |
| Bills Receivable | Dr. | 1,000 | — | — | | | |
| To L. R. | Cr. | | | | 1,000 | — | — |
| L. R. | Dr. | 1,700 | — | — | | | |
| To Consignment | Cr. | | | | 1,700 | — | — |
| Consignment | Dr. | 85 | — | — | | | |
| To L. R. | Cr. | | | | 85 | — | — |
| | | £3,985 | — | — | £3,985 | — | — |

CASH BOOK
(Credit Side)

| | £ | s. | d. | £ | s. | d. |
|-------------------------------------|-----|----|----|---|----|----|
| By Consignment (Expenses) | £50 | — | — | | | |

LEDGER

| CONSIGNMENT ACCOUNT | | | | | | | | | |
|-----------------------------|--------|----|----|--|------------------|--------|----|----|--|
| Dr. | | | | | Cr. | | | | |
| To Goods on Consignment | £ | s. | d. | | By L. R. | £ | s. | d. | |
| to L. R. | 1,200 | — | — | | | 1,700 | — | — | |
| " Cash (Charges) | 50 | — | — | | | | | | |
| " L. R.'s Expenses and | | | | | | | | | |
| Commission | 85 | — | — | | | | | | |
| " Balance, profit | 365 | — | — | | | | | | |
| | £1,700 | — | — | | | £1,700 | — | — | |

EXERCISE VII—No. 19 (contd.).

| <i>Dr.</i> | | | | <i>L. R.</i> | | | | <i>Cr.</i> | | | |
|----------------|--|---------------|------------|--------------|--|--|--|---------------------|--|---------------|------------|
| | | £ | s. d. | | | | | | | £ | s. d. |
| To Consignment | | 1,700 | — — | | | | | By Bills Receivable | | 1,000 | — — |
| | | | | | | | | „ Consignment | | 85 | — — |
| | | | | | | | | „ Balance c/d | | 615 | — — |
| | | <u>£1,700</u> | <u>— —</u> | | | | | | | <u>£1,700</u> | <u>— —</u> |
| To Balance b/d | | 615 | — — | | | | | | | | |

L. R's. BOOKS

JOURNAL

| | | | | | | |
|------------------|---------|------|------|---------|------|------|
| J. M. | £ 1,000 | s. — | d. — | £ 1,000 | s. — | d. — |
| To Bills Payable | | | | | | |
| Sundry Debtors | £ 1,700 | s. — | d. — | £ 1,700 | s. — | d. — |
| To J. M. | | | | | | |
| J. M. | 85 | — | — | 85 | — | — |
| To Commission | | | | | | |
| | £2,785 | — | — | £2,785 | — | — |

LEDGER

| Dr. | | J. M. | | Cr. | | | |
|-------------------------|---------------|----------|----------|---------------------------|---------------|----------|----------|
| To Commission | £ 85 | s. — | d. — | By Sundry Debtors | £ 1,700 | s. — | d. — |
| „ Bills Payable | 1,000 | — | — | | | | |
| „ Balance c/d | 615 | — | — | | | | |
| | <u>£1,700</u> | <u>—</u> | <u>—</u> | | <u>£1,700</u> | <u>—</u> | <u>—</u> |
| | | | | By Balance b/d | £615 | — | — |

EXERCISE VII—No. 20.

ACCOUNT SALES OF GOODS SOLD BY MR. J. ROWLAND, DURBAN,
S.A., FOR THE ACCOUNT AND RISK OF MESSRS. ROBT. PRENTICE & CO.,
LTD.

| | £ | s. | d. | £ | s. | d. |
|--|-----|----|----|------|----|----|
| Sales | | | | 576 | 4 | 6 |
| Value realized by Compensation under Surveyor's Certificate | | | | 10 | 16 | 3 |
| | | | | £587 | - | 9 |
| <i>Charges, etc.</i> | | | | | | |
| Wharf Charges | 4 | 7 | 8 | | | |
| Duty on £945 16s. 6d. @ 22½% | 212 | 16 | 2 | | | |
| Commission on £587 0s. 9d. @ 7½% | 44 | 0 | 6 | | | |
| | | | | 261 | 4 | 4 |
| | | | | £325 | 16 | 5 |

E. & O.E.

Sight Draft for £325 16s. 5d. herewith.

Durban, S.A.

June 30th, 19..

LEDGER

Dr.

MESSRS. ROBT. PRENTICE & CO., LTD.

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|---------|------------------|------|----|----|--------|----------------|------|----|----|
| May | To Wharf Charges | 4 | 7 | 8 | May 16 | By Cash | 50 | - | - |
| June 30 | " Duty | 212 | 16 | 2 | " 31 | " R. Edwards | 242 | 12 | 9 |
| " 30 | " Commission | 44 | - | 6 | June 9 | " K. Lane | 194 | 16 | 5 |
| " 30 | " Bills Payable | 325 | 16 | 5 | " 24 | " D. Carden | 88 | 15 | 4 |
| | | | | | " 24 | " Compensation | 10 | 16 | 3 |
| | | £587 | - | 9 | | | £587 | - | 9 |

EXERCISE VII—No. 21.

The credit balance of the Debenture Redemption Fund Account of £41,645 should be transferred to a "Capital Reserve" and will be available for distribution as profit.

EXERCISE VII—No. 22.

| <i>Dr.</i> | | CAPITAL ACCOUNT | | | | | | <i>Cr.</i> | | | |
|------------|-------------------|-----------------|---------------|-----------|-----------|---------|-----------------------|------------|---------------|-----------|-----------|
| 19.. | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Jan.-Dec. | To Cash . . . | | 1,500 | — | — | Dec. 31 | By Balance . . . | | 2,206 | 14 | 10 |
| Dec. 31 | „ Balance c/d . . | | 1,896 | 14 | 10 | 19.. | | | | | |
| | | | | | | Dec. 31 | „ Profit and Loss . . | | 1,190 | — | — |
| | | | <u>£3,396</u> | <u>14</u> | <u>10</u> | | | | <u>£3,396</u> | <u>14</u> | <u>10</u> |
| | | | | | | | | | | | |
| | | | | | | 19.. | | | | | |
| | | | | | | Dec. 31 | By Balance b/d . . | | 1,896 | 14 | 10 |

| <i>Dr.</i> | | | | WOOL, ETC., ACCOUNT | | | | <i>Cr.</i> | | | | |
|------------|----------------------------|--|--|---------------------|----|----|-----------|---------------|--|---------|----|----|
| 19.. | | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Dec. 31 | To Balance . . . | | | 45,200 | — | — | Jan.-Dec. | By Cash . . . | | 50,000 | — | — |
| 19.. | | | | | | | | (Proceeds of | | | | |
| Dec. 31 | „ Interest on Advances . . | | | 950 | — | — | | year's Sales) | | | | |
| 31 | „ Profit and Loss . . | | | 3,850 | — | — | | | | | | |
| | | | | £50,000 | — | — | | | | £50,000 | — | — |

| <i>Dr.</i> | | | | ADVANCES ON WOOL, ETC., ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|-------------------|----------|-------|---------------------------------|-------------------------|----------|-------|------------|--|--|--|
| 19.. | | £ | s. d. | 19.. | | £ | s. d. | | | | |
| Jan.-Dec. | To Cash . . . | 39,000 | — — | Dec. 31 | By Balance . . . | 39,000 | — — | | | | |
| | (Loan repaid) | | | 19.. | | | | | | | |
| Dec. 31 | „ Cash (Interest) | 950 | — — | Dec. 31 | „ Wool, etc., Account . | 950 | — — | | | | |
| | | | | | (Interest due) | | | | | | |
| | | £ 39,950 | — — | | | £ 39,950 | — — | | | | |

| Dr. | | EXPORT TRADE ACCOUNT | | | | | | Cr. | | |
|-----------|-----------------------|----------------------|---|----|-----------|----------------------|----------------|-----|----|----|
| 19.. | | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan.-Dec. | To Sundry Creditors . | 24,000 | — | — | Jan.-Dec. | By Export Agents . | 22,500 | — | — | |
| | (Goods purchsd.) | | | | " | " Goods (unsold) c/d | 5,700 | — | — | |
| " | " Cash (Freight) . | 2,760 | — | — | | | | | | |
| " | " Cash (Insurance) . | 250 | — | — | | | | | | |
| " | " Profit and Loss . | 1,190 | — | — | | | | | | |
| | | <u>£28,200</u> | — | — | | | <u>£28,200</u> | — | — | |
| Dec. 31 | To Balance b/d . | 5,700 | — | — | | | | | | |
| | (unsold Stock) | | | | | | | | | |

| Dr. | | EXPORT AGENTS | | | | | | Cr. | |
|-----------|-----------------------|---------------|--------|----|-----------|-----------------------|--------|--------|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan.-Dec. | To Export Trade A/c . | 22,500 | — | — | Jan.-Dec. | By Bills Receivable . | 21,000 | — | — |
| | | | | | Dec. 31 | „ Balance c/d . | 1,500 | — | — |
| | | £ | 22,500 | — | | | £ | 22,500 | — |
| Dec. 31 | To Balance b/d . | 1,500 | — | — | | | | | |

EXERCISE VII—No. 22 (*contd.*).

| <i>Dr.</i> | | BILLS PAYABLE ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|-------------------|-----------------------|--------|----|-----------|----------------------|--------|--------|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan.-Dec. | To Cash . . . | 24,000 | — | — | Dec. 31 | By Balance . . . | 7,500 | — | — |
| Dec. 31 | „ Balance c/d . . | 3,500 | — | — | 19.. | | | | |
| | | | | | Jan.-Dec. | „ Sundry Creditors . | 20,000 | — | — |
| | | £ | 27,500 | — | | | £ | 27,500 | — |
| | | | | | | | | | |
| | | | | | Dec. 31 | By Balance b/d . . | 3,500 | — | — |

| OFFICE EXPENSES, SALARIES, AND RENT ACCOUNT | | | | | | | | | |
|---|-------------------|-------|----|----|---------|------------------------------|-------|----|----|
| Dr. | | | | | Cr. | | | | |
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan.-Dec. | To Cash | 2,350 | — | — | Dec. 31 | By Profit and Loss | 2,350 | — | — |

| <i>Dr.</i> | | INTEREST ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|-------------------------------------|------------------|----|----|---------|--------------------------|-------|----|----|
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | | | | | 19.. | | | | |
| Jan.-Dec. | To Discounting Bills of Exchange | 450 | — | — | Dec. 31 | By Profit and Loss A/c . | 450 | — | — |
| | | <hr/> | | | | | <hr/> | | |

| <i>Dr.</i> | | CASH BOOK (BANK COLUMN) | | | | <i>Cr.</i> | | |
|------------|---------------------------------|----------------------------|--------|-------|-----------|---|--------|--------------|
| | | £ | s. | d. | | £ | s. | d. |
| 19.. | To Balance | 1,756 | 14 | 10 | 19.. | | | |
| Dec. 31 | | | | | Jan.-Dec. | By Export Trade A/c: | | |
| 19.. | | | | | | Freight £2,760 | | |
| Jan.-Dec. | „ Bills Receivable | 7,500 | — | — | | Insurance 250 | | |
| „ | „ Bills Receivable (Discounted) | 15,000 | — | — | | | 3,010 | — |
| „ | „ Wool, etc., A/c | 50,000 | — | — | „ | „ Sundry Creditors | 1,500 | — |
| „ | „ Consignment A/c (Australian) | 9,350 | — | — | „ | „ Bills Payable | 24,000 | — |
| | | | | | „ | „ Interest Charged by Bankers for Discounting Bills | 450 | — |
| | | | | | „ | „ Advances on Wool etc., A/c | 39,000 | — |
| | | | | | „ | „ Do. (Interest) | 950 | — |
| | | | | | „ | „ Bank of Australia (including Int.) | 8,400 | — |
| | | | | | „ | „ Office Exps., etc. | 2,350 | — |
| | | | | | „ | „ Drawings | 1,500 | — |
| | | | | | Dec. 31 | „ Balance c/d | 2,446 | 14 10 |
| | | £ | 83,606 | 14 10 | | | £ | 84,606 14 10 |
| Dec. 21 | To Balance c/d | 2,446 | 14 | — | | | | |

EXERCISE VII—No. 22 (*contd.*).

| Dr. | | TRIAL BALANCE | | | | Cr. | |
|-------------------------|----------|---------------|----|----------------------|----------|-----|----|
| | £ | s. | d. | | £ | s. | d. |
| Export Trade . . . | 4,510 | — | — | Capital . . . | 796 | 14 | 10 |
| Export Agents . . . | 1,500 | — | — | Wool, etc. . . | 3,850 | — | — |
| Consignment (Australia) | 1,050 | — | — | Sundry Creditors . . | 6,000 | — | — |
| Interest . . . | 450 | — | — | Bills Payable . . . | 3,500 | — | — |
| Bills Receivable . . . | 1,750 | — | — | | | | |
| Office Expenses, etc. . | 2,350 | — | — | | | | |
| Cash at Bank . . . | 2,446 | 14 | 10 | | | | |
| | £ 14,056 | 14 | 10 | | £ 14,056 | 14 | 10 |

| PROFIT AND LOSS ACCOUNT | | | | | | | | | |
|-------------------------|--------|---|----|--|-------|---|--------|-----|----|
| Dr. | | | | FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | Cr. | |
| | | £ | s. | d. | | | £ | s. | d. |
| To Expenses, etc. . . | 2,350 | — | — | By Wool, etc. . . | 3,850 | — | — | — | — |
| „ Interest Account . . | 450 | — | — | „ Export Trade . . | 1,190 | — | — | — | — |
| „ Consm't (Australia) . | 1,050 | — | — | | | | | | |
| „ Capital Account . . . | 1,190 | — | — | | | | | | |
| | £5,040 | — | — | | | | £5,040 | — | — |

| BALANCE SHEET AS AT 31ST DECEMBER, 19.. | | | | | | | | | |
|---|---|---|-------|--------------|------------------|---|---|-------|--------------|
| LIABILITIES. | | | | | ASSETS. | | | | |
| Bills Payable | . | . | £ | s. d. | Bills Receivable | . | . | £ | s. d. |
| Sundry Creditors | . | . | 3,500 | — — | Export Agents | . | . | 1,750 | — — |
| Capital | . | . | 6,000 | — — | Export Trade | . | . | 1,500 | — — |
| | | | 1,896 | 14 10 | (Stock unsold) | | | 5,700 | — — |
| | | | | | Cash at Bank | . | . | 2,446 | 14 10 |
| | | | | | | | | | |
| | | | £ | 11,396 14 10 | | | | £ | 11,396 14 10 |
| | | | | | | | | | |

EXERCISE VII—No. 23.

GEORGE HARGREAVES

Cr.

GRAVEL PIT WORKING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Dr.

| | £ | s. | d. | | £ | s. | d. |
|--|------|----|----|------------------------------|------|----|----|
| To Rent (1 year) | 10 | — | — | | 196 | — | — |
| " Wages | 247 | — | — | By Sales of Gravel | | | |
| " Coal and Coke | 20 | 5 | 5 | (1,568 Loads @ 2/6 per load) | | | |
| " Implements | 43 | 15 | 6 | " Gravel used on Contract | 230 | 8 | — |
| " Sundries | 11 | 11 | 1 | (2,304 Loads @ 2/- per load) | | | |
| " Carting 2,304 Loads @ 4½d. a load | 43 | 4 | — | | | | |
| " Proportion of Equipment (24th of £552) | 23 | — | — | | | | |
| " Interest Charged on Equipment | 27 | 12 | — | | | | |
| (5% of £552) | | | | | | | |
| | £426 | 8 | — | | £426 | 8 | — |

RHODES' JOURNAL

RHODES' CASH BOOK
(DEBIT SIDE)

JOHN JAMES

| | | | | | | | | | |
|------|------------------------------|-------|-------|------|------|------------------------------|-------|-------|------|
| 19.. | To Sales | £ 339 | s. 18 | d. 9 | 19.. | By Cash | £ 169 | s. 19 | d. 5 |
| | " Discount | 1 | 14 | — | | " Bills Receivable | 173 | 7 | 4 |
| | " Commission | 1 | 14 | — | | " Cash | 50 | — | — |
| | " Bills Receivable | 173 | 7 | 4 | | " Bills Receivable | 127 | 1 | 4 |
| | " Discount | 1 | 17 | — | | | | | |
| | " Commission | 1 | 17 | — | | | | | |
| | | £ 520 | 8 | 1 | | | £ 520 | 8 | 1 |

EXERCISE VII—No. 25.

ACCOUNT SALES of 125 Tons of STEEL BARS, *ex S.S. Tantallan Castle*,
sold by MESSRS. MURRAY & Co., Sydney, for account and risk of
Midland Steel Co., England

| 19.. | | £ | | | s. d. | | | £ | | | s. d. | | |
|------|--------------------------------------|---|--|----|-------|---|--|--------|----|--|-------|---|--|
| | | | | | | | | | | | | | |
| | 25 tons Steel Bars @ £10 per ton . | | | | | | | 250 | | | — | — | |
| | 30 " " @ £9/10/- " . | | | | | | | 285 | | | — | — | |
| | 30 " " @ £9/5/- " . | | | | | | | 277 | 10 | | — | — | |
| | 40 " " @ £9 " . | | | | | | | 360 | | | — | — | |
| | | | | | | | | | | | | | |
| | | | | | | | | 1,172 | 10 | | — | — | |
| | <i>Charges.</i> | | | | | | | | | | | | |
| | Landing Charges | | | 15 | — | — | | | | | | | |
| | Carting Charges | | | 10 | — | — | | | | | | | |
| | Warehousing | | | 6 | — | — | | | | | | | |
| | Insurance | | | 1 | — | — | | | | | | | |
| | Advertising | | | 5 | — | — | | | | | | | |
| | Commission, i.e. 5% of £1,172/10/- . | | | 58 | 12 | 6 | | | | | | | |
| | | | | | | | | 95 | 12 | | 6 | | |
| | E. & O.E. | | | | | | | £1,076 | 17 | | 6 | | |

30 days' sight draft for £1,076/17/6 herewith.

MURRAY & Co.,

July 1, 19..

Sydney.

EXERCISE VII—No. 26.

LEWIS & CO.'S JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|--|--------|----|----|--------|----|----|
| | Armstrong & Sons | 1,124 | — | — | 1,124 | — | — |
| | To Sales Account | | | | | | |
| | For value of goods, plus freight, insurance, etc., etc., sent to Messrs. Armstrong & Sons, of Iquique, and agreeing to particulars of invoice. | | | | | | |
| | Bills Receivable. | 1,124 | — | — | 1,124 | — | — |
| | To Armstrong & Sons | | | | | | |
| | Bill drawn on Armstrong & Sons for value of invoice. | | | | | | |
| | Bank Account | 650 | — | — | 650 | — | — |
| | To Bankers' Advance Account | | | | | | |
| | For advance from bankers on security of documents relating to sales and bills drawn on Armstrong & Sons. | | | | | | |
| | Bank Account | 562 | — | — | 562 | — | — |
| | To Armstrong & Sons | | | | | | |
| | For receipt from Armstrong & Sons of half value of bill. | | | | | | |
| | Armstrong & Sons | 1,124 | — | — | 1,124 | — | — |
| | To Bills Receivable | | | | | | |
| | For withdrawal of original bill. | | | | | | |
| | Bills Receivable. | 578 | 17 | 2 | 578 | 17 | 2 |
| | To Armstrong & Sons | | | | | | |
| | For new bill for half value of original bill, plus interest at 6% for 6 months on amount. | | | | | | |
| | Armstrong & Sons | 16 | 17 | 2 | 16 | 17 | 2 |
| | To Interest | | | | | | |
| | For charge of interest for 6 months at 6% on amount of bill. | | | | | | |
| | Bankers' Advance Account | 650 | — | — | 650 | — | — |
| | To Bank | | | | | | |
| | For repayment of loan. | | | | | | |
| | Bank Account | 578 | 17 | 2 | 578 | 17 | 2 |
| | To Bills Receivable | | | | | | |
| | For Messrs. Armstrong & Sons' acceptance duly honoured. | | | | | | |
| | | £6,408 | 11 | 6 | £6,408 | 11 | 6 |

EXERCISE VII—No. 26 (*contd.*).

ARMSTRONG & SONS' JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|--|--------|----|----|--------|----|----|
| | Purchases Account | 1,124 | — | — | | | |
| | To Lewis & Co. | | | | 1,124 | — | — |
| | For purchases from Lewis & Co., including freight, insurance, etc., etc., as per invoice. | | | | | | |
| | Lewis & Co. | 1,124 | — | — | | | |
| | To Bills Payable | | | | 1,124 | — | — |
| | For our acceptance of Lewis & Co.'s draft on us for value of goods as per invoice. | | | | | | |
| | Lewis & Co. | 562 | — | — | | | |
| | To Bank | | | | 562 | — | — |
| | For remittance to them of half value of bill. | | | | | | |
| | Bills Payable | 1,124 | — | — | | | |
| | To Lewis & Co. | | | | 1,124 | — | — |
| | For withdrawal of original bill. | | | | | | |
| | Lewis & Co. | 578 | 17 | 2 | | | |
| | To Bills Payable | | | | 578 | 17 | 2 |
| | For new bill for half value of withdrawn bill, plus interest at 6% for 6 months on amount of bill. | | | | | | |
| | Interest Account | 16 | 17 | 2 | | | |
| | To Lewis & Co. | | | | 16 | 17 | 2 |
| | For their charge of interest on amount of bill at 6% for 6 months. | | | | | | |
| | Bills Payable | 578 | 17 | 2 | | | |
| | To Bank | | | | 578 | 17 | 2 |
| | For payment of bill at maturity. | | | | | | |
| | | £5,108 | 11 | 6 | £5,108 | 11 | 6 |

EXERCISE VII—No. 27.

ACCOUNT SALES OF 65 CASKS OF PURE LARD, ex S.S. *Rameses*, sold by
Messrs. Stephens & Sons, of London, on account and risk of Messrs.
Williams & Co., of New York.

| | | £ | s. | d. | £ | s. | d. |
|------------|---|----|----|----|------|----|----|
| A 1 | 65 casks Fine Lard— | | | | | | |
| | Gross weight c. q. | | | | | | |
| | Tare 185 — | | | | | | |
| | Net weight 28 2 | | | | | | |
| | Net weight 156 2 | | | | | | |
| | @ 42s. 6d. per cwt. | | | | 332 | 11 | 3 |
| | <i>Charges.</i> | | | | | | |
| | Freight | 15 | 15 | 8 | | | |
| | Marine Insurance—£350 @ 25/-% | 4 | 8 | 6 | | | |
| | (including Stamp, 1/-) | | | | | | |
| | Customs Dues | | 15 | 6 | | | |
| | Unloading, Weighing, etc. | 5 | 12 | 6 | | | |
| | Expenses of Sale | 2 | 10 | 8 | | | |
| | Fire Insurance | 13 | 13 | — | | | |
| | Brokerage (7½% of £332/11/3) | 24 | 18 | 10 | | | |
| | Commission (3% of £332/11/3) | 9 | 19 | 6 | | | |
| | | | | | 77 | 14 | 2 |
| | | | | | £254 | 17 | 1 |
| E. & O. E. | Messrs. Stephens & Sons, LONDON. | | | | | | |

EXERCISE VII—No. 28.**R. RIGHTON'S LEDGER**

| Dr. | | CONSIGNMENT INWARDS ACCOUNT | | | | Cr. | | | |
|------|--|-----------------------------|----------|---------|------|--|----------|----------|---------|
| 19.. | To L. Affleck (600 barrels Flour @ 19/3) | £ 577 | s. 10 | d. — | 19.. | By Sundry Debtors (325 barrels Flour @ 27/3) | £ 442 | s. 16 | d. 3 |
| | " Cash | 43 | 19 | 4 | | " Sundry Debtors (275 barrels Flour @ 26/2) | 359 | 15 | 10 |
| | " Commission (2½% of £802/12/1) | 20 | 1 | 4 | | | | | |
| | " L. Affleck | 161 | 1 | 5 | | | | | |
| | | £802 | 12 | 1 | | Total Sales | £802 | 12 | 1 |

EXERCISE VII—No. 28 (contd.).

| <i>Dr.</i> | | | L. AFFLECK | | | <i>Cr.</i> | | |
|------------|-------------------|-------|------------|------|------|------------------------|-------|-------|
| 19.. | To Cash | £ 738 | s. 11 | d. 5 | 19.. | By Consignment Inwards | £ 577 | s. 10 |
| | | | | | | " " " | 161 | 1 5 |
| | | £738 | 11 | 5 | | | £738 | 11 5 |

| <i>Dr.</i> | | | CASH BOOK | | | <i>Cr.</i> | | |
|------------|--|--|-----------|--|------|------------------------|-----|-------|
| | | | | | 19.. | By Consignment Inwards | £ | s. d. |
| | | | | | | Freight | 27 | 10 - |
| | | | | | | Insurance | 7 | 15 6 |
| | | | | | | Storage | 8 | 13 10 |
| | | | | | | " L. Affleck | 738 | 11 5 |

EXERCISE VII—No. 29.

| <i>Dr.</i> | | | W. WILLIAMS' LEDGER | | | <i>Cr.</i> | | |
|------------|---|--------|---------------------|----|-------|-----------------------|--------|------|
| | | | CONSIGNMENT ACCOUNT | | | | | |
| 19.. | | £ | s. | d. | 19.. | | £ | s. |
| Mar. 1 | To Goods on C/mnt. . . | 2,980 | 7 | 6 | May 1 | By S. Seigfried . . . | 3,312 | 19 6 |
| " | " Cash | 120 | - | 7 | | | | |
| July 4 | " Loss on Exchange . . | 56 | 19 | 7 | | | | |
| " | " Balance (gain) to Profit and Loss . . | 155 | 12 | 5 | | | | |
| | | £3,312 | 19 | 6 | | | £3,312 | 19 6 |

| <i>Dr.</i> | | | S. SEIGFRIED | | | <i>Cr.</i> | | |
|------------|----------------------|-------|--------------|----|-------|-------------------------|-------|------|
| 19.. | | £ | s. | d. | 19.. | | £ | s. |
| May 1 | To Consignment . . . | 3,312 | 19 | 6 | May 1 | By Bills Receivable . . | 3,312 | 19 6 |

| <i>Dr.</i> | | | BILLS RECEIVABLE ACCOUNT | | | <i>Cr.</i> | | |
|------------|-----------------------|--------|--------------------------|----|--------|------------------------|--------|-------|
| 19.. | | £ | s. | d. | 19.. | | £ | s. |
| May 1 | To S. Seigfried . . . | 3,312 | 19 | 6 | July 4 | By Cash | 3,255 | 19 11 |
| | | | | | " | " Loss on Exchange . . | 56 | 19 7 |
| | | £3,312 | 19 | 6 | | | £3,312 | 19 6 |

| <i>Dr.</i> | | | CASH BOOK | | | <i>Cr.</i> | | |
|------------|-------------------------|-------|-----------|----|--------|---|-----|-----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. |
| July 4 | To Bills Receivable . . | 3,255 | 19 | 11 | Mar. 1 | By Consignment— (Carriage, Freight, &c.) | 120 | - - |

EXERCISE VII—No. 29 (*contd.*).

W. WILLIAMS' JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|--------|---|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Mar. 1 | Consignment Account. | 2,980 | 7 | 6 | | | |
| | To Goods on Consignment | | | | 2,980 | 7 | 6 |
| | For consignment of 1,055 tons of iron @ 56s. 6d. per ton to S. Seigfried, of Hamburg. | | | | | | |
| May 1 | S. Seigfried | 3,312 | 19 | 6 | | | |
| | To Consignment | | | | 3,312 | 19 | 6 |
| | For value of sales, less expenses as per Account Sales, i.e.— Gross proceeds, 69,420 marks. Expenses, 1,425 marks. Commission, 1,735-50 <u>3,160-50</u> „ Net proceeds, <u>66,259-50</u> „ 66,259-50 marks @ 1/- = £3,312/19/6. | | | | | | |
| „ 1 | Bills Receivable. | 3,312 | 19 | 6 | | | |
| | To S. Seigfried | | | | 3,312 | 19 | 6 |
| | For acceptance at 2 months for amount as above. | | | | | | |
| July 4 | Loss on Exchange | 56 | 19 | 7 | | | |
| | To Bills Receivable | | | | 56 | 19 | 7 |
| | For loss on rate of exchange at due date, i.e. 66,259-50 marks @ 20-35, whereas bill was made out @ 20-00. | | | | | | |
| „ 4 | Consignment Account. | 56 | 19 | 7 | | | |
| | To Loss on Exchange | | | | 56 | 19 | 7 |
| | For transfer of loss. | | | | | | |
| | | £9,720 | 5 | 8 | £9,720 | 5 | 8 |

EXERCISE VII—No. 30.

Dr.

ROBSON & DAY'S JOINT VENTURE ACCOUNT

Cr.

| Date. | Particulars. | Amount. | Days. | Pro- ducts. | Date. | Particulars. | Amount. | Days. | Pro- ducts. |
|----------|--|---------|-------|----------------|----------|---|---------|-------|----------------|
| 19.. 5 | To Locomotive | £ 620 | 268 | £ 166,160 | 19.. 5 | By Locomotive | £ 710 | 94 | £ 66,740 |
| Jan. 15 | " Carriage | 15 | 258 | 3,870 | June 28 | " 520 tons Rails @ £3/10/- pr. ton | 1,820 | 27 | 49,140 |
| Mar. 18 | " Storage | 1 | 196 | 392 | Sept. 3 | " 2 Cranes (price of each <i>not</i> given) | 125 | 15 | 1,875 |
| " 21 | " Insurance | 12 | 193 | 183 | " 15 | " Balance of Products | | | 207,488 |
| June 4 | " Repairs | 12 | 118 | 1,416 | " 30 | | | | |
| July 4 | " 520 tons Rails @ £3/5/- a ton | 1,690 | 88 | 148,720 | | | | | |
| July 27 | " Landing Charges | 30 | 65 | 1,950 | | | | | |
| Aug. 28 | " Storage | 3 | 33 | 132 | | | | | |
| Sept. 8 | " 2 Cranes @ £55 each | 110 | 22 | 2,420 | | | | | |
| " 30 | " Balance of Int. ($\frac{207,488 \times 10}{73,000}$) | 28 | 6 | 325,253 | | | | | |
| " 30 | " Balance c/d | 143 | 6 | | | | | | |
| | | £2,655 | | | | | £2,655 | | £325,253 |
| Sept. 30 | To R. Robson's Share of Profit on Venture | 71 | 9 | | Sept. 30 | By Balance b/d | 143 | 6 | |
| " | " D. Day's Share of Profit on Venture | 71 | 9 | | | | | | |
| | | £143 | 6 | | | | £143 | 6 | |

EXERCISE VII—No. 30 (contd.).

(Dr. JOINT VENTURE IN R. ROBSON'S BOOKS Cr.

| Date. | Particulars. | Amount. | Days. | Pro-ducts. | Date. | Particulars. | Amount. | Days. | Pro-ducts. |
|---------|---|---------|-------|------------|---------|---------------------------------------|---------|-------|------------|
| 19.. 5 | To Locomotive | £ 620 | 288 | £ 186,160 | 19.. 15 | By 2 Cranes (price of each not given) | £ 125 | 15 | £ 1,875 |
| Jan. 15 | " Carriage | 15 | 258 | 3,870 | " 30 | " Balance of Products | 748 | 3 | 172,657 |
| July 27 | " Landing Charges | 30 | 65 | 1,950 | " 30 | " " due from D. Day | | | |
| Aug. 28 | " Storage | 3 | 33 | 132 | | | | | |
| Sept. 8 | " 2 Cranes @ £55 each. | 110 | 22 | 2,420 | | | | | |
| " 30 | " Balance of Int. $\left(\frac{172,657 \times 10}{73,000}\right)$ | 23 | 13 | £174,532 | | | | | £174,532 |
| " 30 | " Share of Profit on Venture | 71 | 14 | | | | | | |
| | | £873 | 18 | 3 | | | £873 | 18 | 3 |

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Dr. JOINT VENTURE IN D. DAY'S BOOKS Cr.

| Date. | Particulars. | Amount. | Days. | Pro-ducts. | Date. | Particulars. | Amount. | Days. | Pro-ducts. |
|----------|--|---------|-------|------------|---------|--|---------|-------|------------|
| 19.. 18 | To Storage | £ 1 | 196 | £ 392 | 19.. 28 | By Locomotive | £ 710 | 94 | £ 66,740 |
| Mar. 21 | " Insurance | 10 | 193 | 193 | " 30 | " 520 tons Rails @ £3/10/- pr. ton | 1,820 | 27 | 86,740 |
| June 4 | " Repairs | 12 | 118 | 1,416 | " 30 | " Balance of Products | | | 34,841 |
| July 4 | " 520 tons Rails @ £3/5/- a ton | 1,690 | 88 | 148,720 | | | | | |
| Sept. 30 | " Balance of Int. $\left(\frac{34,841 \times 10}{73,000}\right)$ | 4 | 15 | £150,721 | | | | | £150,721 |
| " 30 | " Share of Profit on Venture | 71 | 14 | | | | | | |
| " 30 | " Balance due to R. Robson. | 748 | 18 | | | | | | |
| | | £2,530 | — | — | | | £2,530 | — | — |

EXERCISE VIII—No. 1.

For the definition of an Account Current, see *Advanced Accounts* (p. 247)

MARSHALL & CO.

| Dr. | | | | | | IN ACCOUNT CURRENT WITH YEADON & CO. | | | | | | Cr. | |
|-----------|---------------|--------------|--|------|----------|--------------------------------------|-----------------|----------------|--------------|---|------|----------|-----------------------------------|
| Date. | | Particulars. | | Mth. | Amounts. | | Date. | | Particulars. | | Mth. | Amounts. | |
| | | | | | Int. £s. | | | | | | | Int. £s. | |
| 19.. | | | | | £ | s. d. | 19.. | | | | | £ | s. d. |
| Jan. 1 | To Goods— | | | | | | Feb. 1 | By Cash . . . | 5 | | | 2 | 1 8 |
| | DUE Mar. 1 | 4 | | | 3 | 6 8 | Mar. 1 | " Goods— | | | | | |
| Apr. 1 | " Cash . . . | 3 | | | 3 | 15 - | | " DUE May 1 | 2 | 4 | 3 4 | 500 | |
| June 30 | " Goods . . . | | | | | 300 | May 1 | " Goods— | | | | | |
| | " Interest. . | | | | | 7 ³ / ₁₆ | | " DUE May 1 | 2 | 1 | 13 4 | 200 | |
| " | " Balance c/d | | | | | 10 ¹⁵ / ₁₆ | June 30 | " Interest. . | | | | | 7 ¹⁵ / ₁₆ |
| | | | | | £ | 807 ¹⁵ / ₁₆ | | | | | | £ | 807 ¹⁵ / ₁₆ |
| E. & O.E. | | | | | | | June 30 | By Balance c/d | | | | | £ 19 |
| | | | | | | | LONDON—1st July | YEA | D | O | N | | & CO. |

EXERCISE VIII—No. 2

TRUMPER & CO., MELBOURNE

[illegible]

EXERCISE VIII—No. 3.

See page 247 of *Advanced Accounts for definition of Account Current*

Cr.

CHARLES DAWSON IN ACCOUNT CURRENT WITH ALFRED BROWN

Dr.

| Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. | Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. |
|---------|---------------------------------|-----------|---------|-------|------------|---------|---------------------------------|-----------|---------|-------|------------|
| 19.. | | | | | | 19.. | | | | | |
| Jan. 17 | To Goods | Feb. 1 | £ 200 | 121 | £ 24,200 | Feb. 1 | By Cash | Feb. 1 | £ 50 | 121 | £ 6,050 |
| Apr. 1 | " Cash | Apr. 1 | 200 | 61 | 12,200 | Mar. 18 | " Goods | Apr. 1 | 300 | — | 18,300 |
| May 10 | " Goods | June 1 | 120 | — | — | May 1 | " Balance of Products | May 1 | 150 | 31 | 4,630 |
| June 1 | " Balance of Interest | | 1 | 4 | — | June 1 | " Balance c/d | | 21 | 4 | 7,400 |
| | (7,400 × 12) | | | | | | | | £521 | 4 | £36,400 |
| | (73,000) | | | | | | | | | | |
| June 1 | To Balance b/d | | 21 | 4 | — | | | | | | |

EXERCISE VIII—No. 4.

Dr.

P. PARKER IN ACCOUNT CURRENT WITH T. TONGS

Cr.

| Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. | Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. |
|----------|--------------------------------------|-----------|---------|-------|------------|---------|---------------------------------|-----------|---------|-------|------------|
| 19.. | | | | | | 19.. | | | | | |
| July 3 | To Goods | July 3 | £ 175 | 181 | £ 31,856 | Aug. 14 | By Cash | Aug. 14 | £ 75 | 139 | £ 10,564 |
| Sept. 10 | " B/E | Oct. 12 | 125 | 80 | 10,000 | Sept. 8 | " Goods | Sept. 8 | 319 | 6 | 38,480 |
| Oct. 15 | " Cash | Oct. 15 | 95 | 14 | 7,522 | Nov. 9 | " " | Nov. 9 | 65 | 7 | 114 |
| " 31 | " Goods | " 30 | 138 | 8 | 4,278 | Dec. 20 | " Balance of Products | Dec. 20 | 167 | 3 | 3,132 |
| Nov. 30 | " Int. on Bal. of Products | " 30 | 115 | 17 | 3,598 | " 31 | " Balance c/d | " 31 | 22 | 9 | 1,837 |
| Dec. 31 | (4,809 × 10) | | | 2 | — | | | | £57,122 | 5 | £ 7,122 |
| | (73,000) | | | 6 | — | | | | | | |
| Dec. 31 | To Balance b/d | | 22 | 13 | — | | | | | | |

EXERCISE VIII—No. 5.

Dr. W. WOOD IN ACCOUNT CURRENT WITH C. EVANS

Cr.

| Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. | Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. |
|---------|-------------------------|-----------|---------|-------|------------|---------|------------------------------|-----------|---------|-------|------------|
| 19.. 5 | To Goods | July 5 | £ 163 | 10 | 179 | 19.. 12 | By Cash | Aug. 12 | £ 66 | 6 | £ 9,447 |
| July 8 | " By E. | Oct. 11 | 110 | 10 | 81 | Sept. 7 | " Goods | Sept. 7 | 356 | 11 | 40,940 |
| Oct. 12 | " Cash. | " 12 | 169 | 9 | 80 | Nov. 13 | " " | Nov. 13 | 92 | 3 | 4,464 |
| " 30 | " Goods | Nov. 30 | 127 | 13 | 31 | Dec. 11 | " " | Jan. 11 | 155 | 5 | 1,716 |
| Nov. 30 | " " | " 30 | 136 | 5 | 8 | " 31 | " Bal. of Int. (Ital. figs.) | " 31 | | | 494 |
| Dec. 17 | " " | Jan. 17 | 129 | 16 | 17 | " " | " Bal. of (1,073 x 10) | " " | 2 | 11 | |
| " 31 | " Balance of Products . | " " | | 4 | | " " | " Int. (73,000) | " " | 95 | 10 | |
| | | | | | | " " | Balance c/d | " " | £767 | 5 | £55,345 |
| Dec. 31 | To Balance b/d | | £767 | 5 | 11 | | | | | | |
| | | | 95 | 10 | 11 | | | | | | |

EXERCISE VIII—No. 6.

Dr. W. WEST IN ACCOUNT CURRENT WITH E. EASTON

Cr.

| Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. | Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. |
|---------|-------------------------|-----------|---------|-------|------------|---------|-------------------------|-----------|---------|-------|------------|
| 19.. 15 | To Cash | Jan. 15 | £ 75 | 8 | 166 | 19.. 10 | By Cash | Jan. 10 | £ 120 | 11 | £ 26,520 |
| Feb. 8 | " " | Feb. 8 | 199 | 18 | 142 | Feb. 15 | " " | Feb. 15 | 250 | 9 | 33,750 |
| Mar. 16 | " " | Mar. 16 | 256 | 10 | 106 | Mar. 21 | " " | Mar. 21 | 300 | 15 | 30,401 |
| Apr. 20 | " " | Apr. 20 | 240 | 3 | 71 | Apr. 18 | " Balance of Interest . | Apr. 18 | 275 | 16 | 20,148 |
| June 30 | " Balance of Products . | June 30 | 178 | - | 4 | June 30 | " Balance of Interest . | June 30 | 3 | 2 | |
| " " | " Balance c/d | " " | | | | | (19,521 x 12) | | £950 | 9 | £104,819 |
| | | | £950 | 9 | 1 | | | | 178 | - | 4 |

N. NORTHCOTE IN ACCOUNT CURRENT WITH S. ANDERSON

Cr.

| Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. | Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. |
|---------|------------------------------|---------------|---------|-------|------------|---------|---------------------------|-----------|---------|-------|------------|
| 19.. | To Draft (at sight) | | f. 250 | d. - | f. 2,250 | 19.. | | | f. - | s. - | f. - |
| Apr. 16 | " Charges as per A/C Sales | As 1st column | 127 | - 11 | 1,152 | Apr. 18 | By Cash as per A/C Sales | Apr. 18 | 355 | 2 10 | 2,485 |
| " 18 | " Advertising " | | 1 | - 11 | 14 | " 22 | " " Proceeds of A/C Sales | " 22 | 75 | 16 4 | 3 228 |
| " 25 | " Commission " | | 33 | 9 11 | 7 | " 25 | " Balance of Products. | " May 15 | 238 | 18 11 | 4,780 |
| " | " Int. as contra (tal.flig.) | | | | 4,780 | | | | | | 5,483 |
| " | " Bal. of (5,483 x 10) | | 15 | - | | | | | | | |
| " | " Int. (73,000) | | 255 | 19 9 | | | | | | | |
| " | " Balance c/d | | f969 | 18 1 | f8,196 | Apr. 25 | By Balance b/d | | f969 | 18 1 | f8,196 |
| | | | | | | | | | 255 | 19 9 | |

O. JORDAN IN ACCOUNT CURRENT WITH T. TETLOW

Cr.

[illegible]

EXERCISE VIII—No. 9.

Dr.

M. GOODMAN IN ACCOUNT CURRENT WITH M. BRESSLOFF

Cr.

| Date. | Particulars. | Due Date. | Amount. | Days. | Pro- ducts. | Date. | Particulars. | Due Date. | Amount. | Days. | Pro- ducts. |
|---------|--|-----------|---------|-------|----------------|---------|------------------------|---------------|---------|-------|----------------|
| 19.. | | | | | | 19.. | | | | | |
| Jan. 12 | To Goods | Mar. 12 | f 420 | 110 | 46,310 | Mar. 10 | By Cash | As 1st column | f 250 | 112 | 28,000 |
| Feb. 15 | " | Apr. 15 | s 356 | 76 | 27,056 | Apr. 10 | " | " | s 150 | 81 | 12,150 |
| Mar. 21 | " | May 21 | 238 | 40 | 9,560 | May 16 | " | " | 250 | 55 | 13,750 |
| Apr. 10 | " | June 10 | 127 | 20 | 2,540 | June 15 | " | " | 350 | 15 | 5,250 |
| May 30 | " Balance of Interest | | 3 | 12 | | June 30 | " Balance of Products. | | 146 | | 26,316 |
| | " $\left(\frac{26,316 \times 10}{73,000} \right)$ | | | | | " 30 | " Balance c/d | | 14 | | |
| June 30 | To Balance b/d | | f 1,146 | 14 | £85,466 | | | | f 1,146 | 14 | £85,466 |
| | | | 146 | 14 | | | | | | | |

EXERCISE VIII—No. 10

Dr.

C. CEDAR IN ACCOUNT CURRENT WITH J. HUGHES

Cr.

| Date. | Particulars. | Due Date. | Amount. | Days. | Pro- ducts. | Date. | Particulars. | Due Date. | Amount. | Days. | Pro- ducts. |
|---------|---|-----------|---------|-------|----------------|---------|----------------------------------|---------------|---------|-------|----------------|
| 19.. | | | | | | 19.. | | | | | |
| Jan. 1 | To Balance | Jan. 26 | f 287 | 151 | 43,193 | Feb. 28 | By Net Proceeds A/S of Cotton. | As 1st column | f 965 | 92 | 88,872 |
| Jan. 26 | " Cash. | Apr. 9 | s 50 | 125 | 6,250 | May 31 | " Net Proceeds is A/S of Cotton. | " | 1,017 | 2 | 4,500 |
| Feb. 6 | " Acceptance | Apr. 25 | 500 | 62 | 26,000 | " 31 | " Int. as contra(fit. fig.) | " | | | 4,906 |
| Feb. 25 | " Cash. | Feb. 25 | 125 | 95 | 11,970 | " 31 | " Balance of Products. | | | | |
| Apr. 6 | " Acceptance | June 9 | 500 | 9 | 4,500 | | | | | | |
| Apr. 11 | " Cash. | Apr. 11 | 120 | 50 | 6,060 | | | | | | |
| May 11 | " | May 11 | 225 | 20 | 4,520 | | | | | | |
| " 31 | " Bal. of $\left(\frac{4,906 \times 10}{73,000} \right)$ | | 13 | 5 | | | | | | | |
| " 31 | " Int. | | 172 | 4 | | | | | | | |
| " 31 | " Balance c/d | | f 1,982 | 6 | £98,278 | May 31 | By Balance b/d | | f 1,982 | 6 | £98,278 |
| | | | | | | | | | 172 | 4 | 11 |

EXERCISE VIII—No. II.

FLOWERS & CO.'S LEDGER

Dr. SIDE J. STEWART'S DRAWINGS ACCOUNT

| Date. | Particulars. | Amount. | | | Days. | Pro- ducts. |
|----------|---|---------|----|----|-------|----------------|
| 19.. | | £ | s. | d. | | £ |
| Jan. 15 | To Cash | 35 | — | — | 350 | 12,250 |
| Feb. 20 | " " | 45 | — | — | 314 | 14,130 |
| Mar. 18 | " " | 35 | — | — | 288 | 10,080 |
| Apr. 20 | " " | 25 | — | — | 255 | 6,375 |
| May 13 | " " | 26 | — | — | 232 | 6,032 |
| June 15 | " " | 15 | — | — | 199 | 2,985 |
| July 20 | " " | 42 | — | — | 164 | 6,888 |
| Aug. 17 | " " | 34 | — | — | 136 | 4,624 |
| Sept. 21 | " " | 32 | — | — | 101 | 3,232 |
| Oct. 14 | " " | 28 | — | — | 78 | 2,184 |
| Nov. 18 | " " | 35 | — | — | 43 | 1,505 |
| Dec. 21 | " " | 38 | — | — | 10 | 380 |
| " 31 | " Interest $\left(\frac{70,665 \times 10}{73,000}\right)$ | 9 | 13 | 7 | | |
| | | £399 | 13 | 7 | | £70,665 |

EXERCISE VIII—No. 12.

L. LOCKE IN ACCOUNT CURRENT WITH K. KAY

Cr.

Dr.

| Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. | Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. |
|---------|---|-----------|---------|-------|------------|-------|------------------------|-----------|---------|-------|------------|
| 19.. | To Balance . | Jan. 1 | £ 125 | 15 | 3 | 19.. | By Cash . | Feb. 10 | £ 70 | — | 49 |
| Jan. 12 | " Goods . | Feb. 12 | 62 | 10 | 6 | " | " B/E . | Mar. 18 | 65 | — | 13 |
| Mar. 31 | " Balance of Interest ($\frac{9,610 \times 10}{73,000}$) | | 1 | 6 | 4 | " | " Expenses . | Mar. 5 | 15 | 11 | 26 |
| | | | | | | " | " Postages . | " 31 | 1 | 2 | |
| | | | | | | " | " Commission . | " | 1 | 6 | |
| | | | | | | " | " Balance of Products. | " | 36 | 5 | 9,610 |
| | | | | | | " | " Balance c/d . | " | £189 | 12 | £14,301 |
| | | | | | | | | | | | |

EXERCISE VIII—No. 13.

N. NEWTON, MANCHESTER, IN ACCOUNT CURRENT WITH O. OLDHAM, BOMBAY

Cr.

Dr.

| Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. | Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. |
|---------|---------------------------------------|-----------|---------|-------|------------|---------|---|-----------|---------|-------|------------|
| 19.. | To Net Proceeds of A/S of Cotton . | Mar. 15 | £ 1,617 | 14 | 8 | 19.. | By Balance . | Jan. 1 | £ 753 | 2 | 11 |
| Jan. 27 | " Net Proceeds of A/S of Cotton . | June 15 | 606 | 2 | 8 | Jan. 22 | " Cash . | " 22 | 27 | 16 | 4 |
| May 24 | | | | | | Mar. 3 | " Acceptance . | " 3 | 250 | — | 62 |
| | | | | | | Feb. 12 | " Cash . | Feb. 12 | 106 | 12 | 43 |
| | | | | | | Mar. 31 | " Acceptance . | Mar. 31 | 250 | — | 90 |
| | | | | | | Apr. 11 | " Cash . | May 3 | 250 | — | 123 |
| | | | | | | May 13 | " Cash . | Apr. 11 | 152 | 3 | 30,750 |
| | | | | | | June 30 | " Bal. of Principal (A) and Interest (B) | May 13 | 236 | 12 | 15,352 |
| | | | | | | | | | 8 | 14 | 31,521 |
| | | | | | | | | | 181 | 181 | 35,657 |
| | | | | | | | | | 188 | 13 | 63,831 |
| June 30 | To Balance b/d . | | £2,223 | 17 | 4 | | | | £2,223 | 17 | £220,338 |
| | | | | | | | | | | | |

(A) Balance of Principal = £2,223 less £2,026 = £197. To reduce to figure in Products column, Multiply £197 by 181, which = 35,657.

(B) Balance of Interest = £8/14/11 arrived at as follows: $\left(\frac{63,831 \times 10}{73,000} \right)$

EXERCISE VIII—No. 14.

AVERAGE DUE DATES

ZERO DATES

| | | JUNE 5 | | | SEPTEMBER 18 | | AUGUST 26 | |
|----------|-----------|---------|----|----|--------------|-----------|-----------|-----------|
| Date. | Item. | Amount. | | | Days. | Products. | Days. | Products. |
| 19.. | | £ | s. | d. | | £ | | £ |
| June 5 | Goods . . | 726 | 16 | 2 | | 105 | 76,335 | 82 |
| July 12 | " . . | 979 | 17 | 8 | 37 | 36,260 | 68 | 66,640 |
| Aug. 26 | " . . | 1,127 | 3 | 11 | 82 | 92,414 | 23 | 25,921 |
| Sept. 18 | " . . | 359 | 8 | 6 | 105 | 37,695 | — | 23 |
| | | £3,193 | 6 | 3 | | £166,369 | | £168,896 |
| | | | | | | | | £95,457 |

June 5th + 52 days gives 27th July.

Sept. 18th - 53 days gives 27th July.

Aug. 26th - 30 days gives 27th July.

EXERCISE VIII—No. 15.

| Date. | Item. | Amount. | | | Days. | Products. |
|--|---------------|---------|----|----|-------|-----------|
| 19.. | | £ | s. | d. | | £ |
| June 5 | Goods | 355 | 9 | 10 | Zero | Date |
| " 8 | " | 466 | 16 | 8 | 33 | 15,411 |
| Sept. 11 | " | 229 | 14 | 7 | 98 | 22,540 |
| (1,052 divided into 37,951 gives 36 dys. | | £1,052 | 1 | 1 | | £37,951 |
| ∴ June 5 + 36 days gives July 11) | | | | | | |

EXERCISE VIII—No. 16.

AVERAGE DUE DATES

| Date. | Item. | Amount. | | | Days. | Pro-ducts. |
|--|---------------|---------|----|----|-------|------------|
| 19.. | | £ | s. | d. | | £ |
| Feb. 15 | Goods | 375 | 2 | 9 | Zero | Date |
| Mar. 15 | " | 268 | 16 | 6 | 28 | 7,532 |
| Apr. 15 | " | 349 | 14 | 4 | 59 | 20,650 |
| " " | " | 186 | 3 | 7 | 59 | 10,974 |
| (1,180 divided into 39,156 gives 33 dys. | | £1,179 | 17 | 2 | | £39,156 |
| ∴ Feb. 15 + 33 days + 6 mos. gives | | | | | | |
| Sept. 20) | | | | | | |

EXERCISE VIII—No. 17.

| Date. | Item. | Due Date. | Amount. | | | Days. | Pro-ducts. |
|-------------------------------------|---------------|-----------|---------|----|----|-------|------------|
| 19.. | | | £ | s. | d. | | £ |
| Aug. 12 | Goods | Sept. 12 | 156 | 15 | 9 | Zero | Date |
| " 21 | " | Oct. 1 | 298 | 4 | 5 | 19 | 5,662 |
| Sept. 23 | " | Nov. 1 | 127 | 17 | 2 | 50 | 6,400 |
| Oct. 9 | " | " 19 | 395 | 5 | 8 | 68 | 26,860 |
| (38,922 ÷ 978 gives 40 days | | | £978 | 3 | - | | £38,922 |
| ∴ Sept. 12 + 40 days gives Oct. 22) | | | | | | | |

FOREST & CO.'S LEDGER
E. ELLIS'S DRAWINGS ACCOUNT

METHODS OF COMPUTATION.

Note.—The Average Due Date gives 48,329 ÷ 297 = 163 days, $\left. \begin{array}{l} \text{Interest being} \\ \text{Add Interest on } £297 \text{ for 10 days;} \end{array} \right\} \begin{array}{l} £ \text{ s. } d. \\ 6 \quad 12 \quad 5 \\ \quad \quad 8 \quad 2 \end{array}$

EXERCISE VIII—No. 19.

P. PINE
IN ACCOUNT WITH F. ELLIOTT

Dr.

Cr.

| Date. | Item. | Amount. | | | Days. | Pro- ducts. | Date. | Item. | Amount. | | | Days. | Pro- ducts. |
|----------|----------------------------------|---------|----|----|-------|----------------|----------|-------------|---------|----|----|-------|----------------|
| 19.. | | £ | s. | d. | Zero | £ | 19.. | | £ | s. | d. | | |
| Aug. 12 | Goods . . . | 26 | 12 | 2 | | Date | Sept. 20 | Goods . . . | 178 | 4 | 8 | 19 | £ |
| Sept. 20 | " . . . | 129 | 5 | 10 | 39 | 5,031 | Oct. 10 | " . . . | 296 | 18 | 6 | 59 | 6,542 |
| Oct. 15 | " . . . | 285 | 17 | 11 | 64 | 17,024 | Nov. 22 | " . . . | 97 | 6 | 8 | 102 | 17,523 |
| Nov. 1 | Balance (due from Elliott) | 150 | 12 | 11 | | 12,364 | | | | | | | 9,894 |
| | | £572 | 9 | 10 | | £34,359 | | | £572 | 9 | 10 | | £34,359 |

EXERCISE VIII—No. 20.

Dr.

Cr.

JONES IN ACCOUNT CURRENT WITH BROWN

| Date. | Particulars. | Amount. | | | Days. | Products. | Date. | Particulars. | Amount. | | | Days. | Products. |
|----------|-----------------------|---------|----|----|-------|------------|---------|---------------------------------|---------|----|----|-------|------------|
| 19.. | | £ | s. | d. | | £ | 19.. | | £ | s. | d. | | £ |
| Mar. 15 | To Cash. | 650 | - | - | 291 | 189,150 | Sept. 1 | By Sundry Debtors | 2,568 | 18 | 6 | 121 | 310,849 |
| June 1 | " Sundry Creditors | 766 | 11 | 6 | 213 | 163,371 | Jan. 1 | " Furniture (½ of £4,281/10/10) | 258 | 6 | 9 | 364 | 93,912 |
| " 15 | " Cash. | 650 | - | - | 199 | 129,350 | " | " Cash (½ of £1,277/12/6) | 939 | 6 | 3 | 364 | 341,796 |
| Sept. 15 | " Balance of Products | 650 | - | - | 107 | 69,550 | " | " Goodwill | 700 | - | - | 364 | 254,800 |
| Dec. 31 | " Balance c/d | 1,811 | 12 | 8 | | 449,996 | Dec. 31 | " Balance of Interest | 61 | 12 | 8 | | |
| | | | | | | £1,001,357 | | (449,996 × 10) 73,000 | | | | | £1,001,357 |
| Dec. 31 | To Cash. | 4,528 | 4 | 2 | | | Dec. 31 | By Balance b/d | £1,811 | 12 | 8 | | |

EXERCISE VIII—No. 21.

SYKES & SON'S JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|--|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Feb. 21 | Consignment Account. | 850 | — | — | 850 | — | — |
| | To Goods on Consignment | | | | | | |
| | For goods valued £850 sent to Bailey & Co., their Belfast agent. | | | | | | |
| „ 21 | Consignment Account. | 14 | 3 | 4 | 14 | 3 | 4 |
| | To Bankers' Discount | | | | | | |
| | For transfer of loss on discounting bill. | | | | | | |
| Mar. 31 | Consignment Account. | 28 | 13 | 9 | 28 | 13 | 9 |
| | To Bailey & Co. | | | | | | |
| | For his notification to us of his having paid freight and landing charges on account of consignment. | | | | | | |
| Aug. 31 | Bailey & Co. | 1,056 | — | — | 1,056 | — | — |
| | To Consignment Account | | | | | | |
| | For gross proceeds as per Account Sales. | | | | | | |
| „ 31 | Consignment Account. | 31 | 13 | 7 | 31 | 13 | 7 |
| | To Bailey & Co. | | | | | | |
| | Commission on £1,056 @ 3 %. | | | | | | |
| | | £1,980 | 10 | 8 | £1,980 | 10 | 8 |

BILLS RECEIVABLE BOOK

| No. of Bill. | Date. | From whom Received. | Tenor. | Due Date. | Fol. | Amount. | Remarks. |
|--------------|--------------|----------------------|--------|--------------|------|-----------|---|
| 1 | 19.. Feb. 21 | Bailey & Co. | 4 mos. | 19.. June 24 | | £ 850 — — | Discounted same date Retired June 24 |

EXERCISE VIII—No. 21 (*contd.*).

SYKES & SON'S LEDGER

| Dr. | | CONSIGNMENT ACCOUNT | | | | Cr. | | |
|---------|---|---------------------|----|----|---------|-----------------------------|---------------|----|
| | | £ | s. | d. | | £ | s. | d. |
| 19.. | | | | | 19.. | | | |
| Feb. 21 | To Goods on C/ment. . . | 850 | — | — | Aug. 31 | By Bailey & Co. . . . | 1,056 | — |
| " 21 | " Cash (loss on Discounting Bill). . . | 14 | 3 | 4 | | (Gross proceeds as per A/S) | | |
| Mar. 31 | " Bailey & Co. (Exps.) . . | 28 | 13 | 9 | | | | |
| Aug. 31 | " Bailey & Co. (Commission). . . | 31 | 13 | 7 | | | | |
| " 31 | " Balance (profit) to Profit and Loss . . | 131 | 9 | 4 | | | | |
| | | <u>£1,056</u> | — | — | | | <u>£1,056</u> | — |

| <i>Dr.</i> | | BAILEY & Co. | | | | <i>Cr.</i> | | | |
|------------|-----------------------|---------------|----|----|------|------------|-------------------------|---------------|----|
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | To Cash | 850 | — | — | 19.. | Feb. 21 | By Bills Receivable . . | 850 | — |
| June 24 | | | | | | Mar. 31 | " Consignment | 28 | 13 |
| Aug. 31 | " Consignment | 1,056 | — | — | | May 31 | " Cash | 450 | — |
| | | | | | | Aug. 31 | " Consignment | 31 | 13 |
| | | | | | | " 31 | " Balance c/d | 545 | 12 |
| | | | | | | | | | |
| | | <u>£1,906</u> | — | — | | | | <u>£1,906</u> | — |
| | | | | | | | | | |

| <i>Dr.</i> | | CASH BOOK | | | | | | <i>Cr.</i> | |
|------------|-------------------------|-----------|----|----|---------|--------------------------|-----|------------|----|
| | | Bank. | | | | | | Bank. | |
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Feb. 21 | To Bills Receivable . . | 850 | — | — | Feb. 21 | By Banker's Discount . . | 14 | 3 | 4 |
| May 31 | „ Bailey & Co. . . . | 450 | — | — | June 24 | „ Bailey & Co. . . . | 850 | — | — |
| | | | | | | (bill retired) | | | |

EXERCISE VIII—No. 22.

ACCOUNT SALES of 25 CHESTS of INDIGO sold by Henry Crichton & Son
on account and risk of Thos. Ruffles.

| | £ | s. | d. | £ | s. | d. |
|--|----|----|----|--------|----|----|
| 25 Chests of Indigo | | | | 1,246 | 10 | 8 |
| <i>Charges.</i> | | | | | | |
| Dock Dues and Insurance | 8 | 10 | 11 | | | |
| Cartage | 2 | 15 | 6 | | | |
| Storage | 3 | 4 | 7 | | | |
| Commission (3% of £1,246/10/8) | 37 | 7 | 11 | | | |
| <i>Del credere</i> Commission (2½% of £1,246/10/8) | 31 | 3 | 3 | | | |
| | | | | 83 | 2 | 2 |
| | | | | £1,163 | 8 | 6 |
| E. & O.E. | | | | | | |
| Bill at three months for £1,163/8/6 enclosed herewith. | | | | | | |
| HENRY CRICHTON & SON. | | | | | | |

EXERCISE VIII—No. 22 (a).

THOS. RUFFLES' BOOKS (LEDGER)

| Dr. | | | | CONSIGNMENT ACCOUNT | | | | Cr. | | | |
|---------|---|---------------|-----------|---------------------|--------|--|---------------|-----------|----------|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Feb. 21 | To Goods on C/ment (25 chests Tea @ £51 per cht.) | 1,275 | - | - | May 18 | By Hy. Crichton & Son (Gross Proceeds as per A/S) | 1,246 | 10 | 8 | | |
| " 21 | " Cash (Freight) | 12 | 12 | 6 | | | | | | | |
| May 18 | " Hy. Crichton & & Son (Expenses) | 14 | 11 | - | " 18 | " Balance (Loss) to Profit and Loss | 124 | 4 | - | | |
| " 18 | " Hy. Crichton (Commissions) | 68 | 11 | 2 | | | | | | | |
| | | <u>£1,370</u> | <u>14</u> | <u>8</u> | | | <u>£1,370</u> | <u>14</u> | <u>8</u> | | |
| | | | | | | | | | | | |

| Dr. | | CRICHTON & SON | | | | | Cr. | | |
|--------|----------------|----------------|----|----|--------|--------------------|--------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| May 18 | To Consignment | 1,246 | 10 | 8 | May 18 | By Consignment | 14 | 11 | - |
| | " | | | | " 18 | " | 68 | 11 | 2 |
| | " | | | | " 18 | " Bills Receivable | 1,163 | 8 | 6 |
| | | £1,246 | 10 | 8 | | | £1,246 | 10 | 8 |

EXERCISE VIII—No. 22 (a). (contd.).

THOS. RUFFLES' JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|--|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Feb. 21 | Consignment Account. | 1,275 | — | — | 1,275 | — | — |
| | To Goods on Consignment | | | | | | |
| | For 25 chests indigo forwarded to H. Crichton & Son. | | | | | | |
| May 18 | Crichton & Son | 1,246 | 10 | 8 | 1,246 | 10 | 8 |
| | To Consignment Account | | | | | | |
| | For gross proceeds as per A/S. | | | | | | |
| " 18 | Consignment Account. | 14 | 11 | — | 14 | 11 | — |
| | To Crichton & Son | | | | | | |
| | For expenses as enumerated in A/S, | | | | | | |
| | i.e. Dock Dues and Insurance £8/10/11 | | | | | | |
| | Cartage £2/15/6 | | | | | | |
| | Storage £3/4/7 | | | | | | |
| " 18 | Consignment Account. | 68 | 11 | 2 | 68 | 11 | 2 |
| | To Crichton & Son | | | | | | |
| | For Commission as under— | | | | | | |
| | 3% of gross proceeds as per A/S | | | | | | |
| | £37/7/11 | | | | | | |
| | 2½% of gross proceeds as per A/S | | | | | | |
| | (being <i>del credere</i> Commission) | | | | | | |
| | £31/3/3 | | | | | | |
| " 18 | Bills Receivable. | 1,163 | 8 | 6 | 1,163 | 8 | 6 |
| | To Crichton & Son | | | | | | |
| | Acceptance at 3 mos. for NET proceeds | | | | | | |
| | as per Account Sales. Bill dated Ap.20 | | | | | | |
| | | £3,768 | 1 | 4 | £3,768 | 1 | 4 |

EXERCISE VIII—No. 22 (b).

CRICHTON & SON'S BOOKS (LEDGER)

| Dr. | | | | THOS. RUFFLES | | | | Cr. | | | |
|---------|---------------------------|--------|----|---------------|---------|--------------------|--------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Apr. 20 | To Cash | 14 | 11 | — | Apr. 20 | By Sundry Debtors. | 1,246 | 10 | 8 | | |
| " 20 | " Commission | 68 | 11 | 2 | | | | | | | |
| " 20 | " Bills Payable | 1,163 | 8 | 6 | | | | | | | |
| | | £1,246 | 10 | 8 | | | £1,246 | 10 | 8 | | |

EXERCISE VIII—No. 22 (b) (contd.).

CRICHTON & SON'S JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|---|--------|----|----|--------|----|----|
| 19 . | | | | | | | |
| Apr. 20 | Sundry Debtors. | 1,246 | 10 | 8 | | | |
| | To Thos. Ruffles | | | | 1,246 | 10 | 8 |
| | For sale to sundry debtors of goods received on consignment from Thos. Ruffles. | | | | | | |
| „ 20 | Thos. Ruffles | 14 | 11 | — | | | |
| | To Cash | | | | 14 | 11 | — |
| | For expenses enumerated below— | | | | | | |
| | Dock Dues and Insurance £8/10/11 | | | | | | |
| | Cartage £2/15/6 | | | | | | |
| | Storage £3/4/7 | | | | | | |
| „ 20 | Thos. Ruffles | 68 | 11 | 2 | | | |
| | To Commission Account | | | | 68 | 11 | 2 |
| | For 3% of gross proceeds of sales to debtors, i.e. 3% of £1,246/10/8 = £37/7/11 and 2½% (<i>del credere</i>) commission, being 2½% of £1,246/10/8 = £31/3/3 | | | | | | |
| „ 20 | Thos. Ruffles | 1,163 | 8 | 6 | | | |
| | To Bills Payable | | | | 1,163 | 8 | 6 |
| | For bill at 3 mos. for NET proceeds of account sales. | | | | | | |
| | | £2,493 | 1 | 4 | £2,493 | 1 | 4 |

EXERCISE VIII—No. 23.

JOURNAL ENTRIES

| | | £ | s. | d. | £ | s. | d. |
|--------|---------------------------------------|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Jan. 5 | Consignment Account. | 750 | 2 | 9 | | | |
| | To Goods on Consignment | | | | 698 | 14 | 8 |
| | " Commission | | | | 17 | 9 | 4 |
| | " Insurance | | | | 7 | 10 | — |
| | " Freight | | | | 26 | 8 | 9 |
| " 6 | Bills Receivable. | 750 | 2 | 9 | | | |
| | To Ah Hee | | | | 750 | 2 | 9 |
| June 4 | Ah Hee | 812 | 18 | 2 | | | |
| | To Consignment | | | | 812 | 18 | 2 |
| | For value of goods sent \$5,455 | | | | | | |
| | = £750/2/9 plus share of profit \$460 | £2,313 | 3 | 8 | £2,313 | 3 | 8 |
| | = £62/15/5. | | | | | | |

STATEMENT OF CONVERSIONS

| | Rate. | \$ | £ | s. | d. |
|---|-------|----------|-----|----|----|
| Gross Proceeds | 2/9 | 6,872.52 | 944 | 19 | 2 |
| Less Charges, i.e. \$326.17 + \$171.82. | 2/9 | 497.99 | 68 | 9 | 5 |
| NET Proceeds | 2/9 | 6,374.53 | 876 | 9 | 9 |
| Less Cost of Goods (including Expenses) | 2/9 | 5,455.54 | 750 | 2 | 9 |
| Profit on Venture | 2/9 | 918.99 | 126 | 7 | — |
| Actual HALF share | 2/9 | 459.495 | 63 | 3 | 6 |
| No. of DOLLARS as share | 2/9 | 460.00 | 63 | 5 | — |
| Discounted 5th June | 2/8½ | \$460.00 | £62 | 15 | 5 |

LEDGER

| Dr. | | | | CONSIGNMENT ACCOUNT | | | | Cr. | | | |
|--------|--|------|----|---------------------|---------|------------------------|------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Jan. 5 | To Goods on C/ment | 698 | 14 | 8 | June 4 | By Ah Hee | 812 | 18 | 2 | | |
| | " Commission | 17 | 9 | 4 | | | | | | | |
| | " Insurance | 7 | 10 | — | | | | | | | |
| | " Freight | 26 | 8 | 9 | | | | | | | |
| | " Balance to Profit and Loss | 62 | 15 | 5 | | | | | | | |
| | | £812 | 18 | 2 | | | £812 | 18 | 2 | | |
| Dr. | | | | CASH ACCOUNT | | | | Cr. | | | |
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Jan. 6 | To Bills Receivable | 750 | 2 | 9 | Jan. 10 | By Insurance | 7 | 10 | — | | |
| June 4 | " Ah Hee | 62 | 15 | 5 | " 10 | " Freight | 26 | 8 | 9 | | |

EXERCISE VIII—No. 24.

I. SOLOMON'S JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|--|------|----|----|------|----|----|
| Feb. 1 | Consignment Account. | 376 | — | — | 376 | — | — |
| | To Goods on Consignment | | | | | | |
| | For consignment to Davis & Co., Bom- | | | | | | |
| | bay, 320 cases brandy @ 23/6 per case | | | | | | |
| | F.O.B. | | | | | | |
| " 15 | Davis & Co. | 456 | 6 | 8 | 456 | 6 | 8 |
| | To Consignment | | | | | | |
| | For gross proceeds as per account sales. | | | | | | |
| " 15 | Consignment | 18 | 10 | — | 18 | 10 | — |
| | To Davis & Co. | | | | | | |
| | For expenses and commission as per | | | | | | |
| | account sales. | | | | | | |
| | | £850 | 16 | 8 | £850 | 16 | 8 |

ACCOUNT SALES of 320 cases Wine and Spirit sold by Messrs. Davis & Co., of Bombay, for the account and risk of Messrs. Isaac Solomon, London.

| | | | | | | | |
|-----------|--------------------------------------|-------|---|---|----------|---|---|
| 19.. | 320 cases Brandy @ 18½ rupees a case | | | | R. 5,920 | — | — |
| | <i>Charges.</i> | | | | | | |
| | Delivery Rent | R. 32 | — | — | | | |
| | Postage | 8 | — | — | | | |
| | Commission—R. ½ per case | 200 | — | — | | | |
| | | | | | 240 | — | — |
| | <i>Net Proceeds</i> | | | | R. 5,680 | — | — |
| E. & O.E. | BOMBAY. | | | | | | |
| | 15th February. | | | | | | |
| Dates | have been assumed. DAVIS & Co., | | | | | | |

I. SOLOMON'S LEDGER

| Dr. | | CONSIGNMENT ACCOUNT | | | | Cr. | | | |
|--------|---------------------------------------|---------------------|----|----|---------|----------------|------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Feb. 1 | To Goods on C/memt | 376 | — | — | Feb. 15 | By Davis & Co. | 456 | 6 | 8 |
| " 1 | " Cash | 13 | 12 | 6 | | | | | |
| " 15 | " Davis & Co. . . | 18 | 10 | — | | | | | |
| | " Balance to Profit and Loss . . . | 48 | 4 | 2 | | | | | |
| | | £456 | 6 | 8 | | | £456 | 6 | 8 |

EXERCISE VIII—No. 24 (*contd.*).

| <i>Dr.</i> | | DAVIS & Co. | | | | | | <i>Cr.</i> | | |
|------------|----------------|-------------|----|----|---------|----------------|------|------------|----|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | |
| Feb. 15 | To Consignment | 456 | 6 | 8 | Feb. 15 | By Consignment | 18 | 10 | — | |
| | | | | | " 15 | " Cash | 437 | 16 | 8 | |
| | | £456 | 6 | 8 | | | £456 | 6 | 8 | |

| <i>Dr.</i> | | CASH BOOK | | | | | | <i>Cr.</i> | | |
|------------|--|-----------|----|----|--------|--|----|------------|----|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | |
| Feb. 15 | To Davis & Co. | 437 | 16 | 8 | Feb. 1 | By Consignment | 13 | 12 | 6 | |
| | (Sight Draft of £437/16/8 for Rs. 5,680 converted at 1/8½ perrup.) | | | | | (For disbursements for— Insurance £4/17/6 Freight £8/15/-) | | | | |

EXERCISE VIII—No. 25.

JOHNSON, GIBBS & CO.'s JOURNAL

| | | | | | | | |
|--------|---|------|----|----|------|----|----|
| 19.. | | £ | s. | d. | £ | s. | d. |
| Jan. 1 | Consignment Account. | 106 | 16 | 7 | | | |
| | To Goods on Consignment | | | | 93 | 6 | — |
| | " Freight | | | | 12 | 16 | 7 |
| | " Bill of Lading | | | | | 2 | 6 |
| | " Insurance | | | | 11 | 6 | |
| | For particulars of invoice of goods sent to Messrs. Larrissa & Co., Bombay. | £106 | 16 | 7 | £106 | 16 | 7 |

MESSRS. JOHNSON, GIBBS & CO.'s LEDGER

| <i>Dr.</i> | | CONSIGNMENT ACCOUNT | | | | | | <i>Cr.</i> | | |
|------------|--------------------|---------------------|----|----|--|--|--|------------|--|--|
| 19.. | | £ | s. | d. | | | | | | |
| Jan. 1 | To Goods on C/ment | 93 | 6 | — | | | | | | |
| | " Freight | 12 | 16 | 7 | | | | | | |
| | " Bill of Lading | | 2 | 6 | | | | | | |
| | " Insurance | | 11 | 6 | | | | | | |

EXERCISE VIII—No. 26.

CONSIGNEE'S JOURNAL

MESSRS. LARRISSA & Co.

| 19.. | | Rs. | A. | P. | Rs. | A. | P. |
|---------|---|-------|----|----|-------|----|----|
| Feb. 15 | Sundry Debtors. | 1,708 | 11 | 8 | 1,708 | 11 | 8 |
| | To Messrs. Johnson, Gibbs & Co. | | | | | | |
| | Messrs. Johnson, Gibbs & Co. | 187 | 15 | 3 | | | |
| | To Import Duty | | | | 17 | 1 | 4 |
| | „ Rent, Insurance, and Commission | | | | 170 | 13 | 11 |
| | For expenses and commission, etc., as set forth in Account Sales. | | | | | | |
| | Rs. | 1,896 | 10 | 11 | 1,896 | 10 | 11 |

CONSIGNEE'S LEDGER

| Dr. | | | | | MESSRS. JOHNSON, GIBBS & Co. | | | | | Cr. | | | | |
|---------|---------------------|-----|-------|----|------------------------------|---------|--------------------|-----|-------|-----|----|--|--|--|
| 19.. | | | Rs. | A. | P. | 19.. | | | Rs. | A. | P. | | | |
| Feb. 15 | To Duty | | 17 | 1 | 4 | Feb. 15 | By Sundry Debtors. | | 1,708 | 11 | 8 | | | |
| | „ Insurance | | 170 | 13 | 11 | | | | | | | | | |
| | „ Cash | | 1,520 | 12 | 5 | | | | | | | | | |
| | | Rs. | 1,708 | 11 | 8 | | | Rs. | 1,708 | 11 | 8 | | | |

Note.—Above calculations are in Indian currency.

CONSIGNOR'S LEDGER

| Dr. | | CONSIGNMENT ACCOUNT | | | Cr. | | | | |
|------|--------------------|---------------------|----------|---------|------|--|---------------|--------------|---------------|
| 19.. | To Goods on C/ment | £ 106 | s. 16 | d. 7 | 19.. | By Larrissa & Co. . " Balance to Profit and Loss . . | £ 101 5 | s. 7 8 | d. 8 11 |
| | | £106 | 16 | 7 | | | £106 | 16 | 7 |

| Dr. | | MESSRS. LARRISSA & Co. | | | | | | Cr. | | |
|---------|------------------|------------------------|----|----|---------|-----------------|-----|-----|----|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | |
| Feb. 15 | To Consignment . | 101 | 7 | 8 | Feb. 15 | By Cash | 101 | 7 | 8 | |

EXERCISE VIII—No. 27

LUX & LUCIFER'S LEDGER

| Dr. | | | | CONSIGNMENT ACCOUNT | | | | Cr. | | | |
|--------|---|------|----|---------------------|--------|--|------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Feb. 1 | To Goods on C/ment (i.e. 500 Lamps @ 18/- each) | 450 | - | - | Apr. 4 | By M. Marconi . . (Amount recvd. from Undwts.) | 72 | - | - | | |
| | " Cash | 8 | 13 | 6 | " | M. Marconi . . (For his sale of 250 Lamps) | 240 | - | - | | |
| Apr. 4 | " M. Marconi . . | 21 | 2 | - | " | Stock of 125 Lamps @ 18/- each c/d . . | 112 | 10 | - | | |
| | | | | | " | Proportion of Expenses c/d . | 2 | 3 | 5 | | |
| | | | | | " | (i.e. $\frac{125}{300}$ of £8/13/6) | | | | | |
| | | | | | " | Balance to Profit and Loss . . | 53 | 2 | 1 | | |
| | | £479 | 15 | 6 | | | £479 | 15 | 6 | | |

| Dr. | | | | M. MARCONI | | | | Cr. | | | |
|--------|------------------|------|----|------------|--------|------------------|------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Apr. 4 | To Consignment . | 72 | - | - | Apr. 4 | By Consignment . | 21 | 2 | - | | |
| " | " " " . | 240 | - | - | " | " Cash . . | 290 | 18 | - | | |
| | | £312 | - | - | | | £312 | - | - | | |

| Dr. | | | | CASH BOOK | | | | Cr. | | | |
|--------|-------------------|-----|----|-----------|--------|--|---|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Apr. 4 | To M. Marconi . . | 290 | 18 | - | Feb. 1 | By Consignment— Freight £5/18/6 Insur. . £2/15/- | 8 | 13 | 6 | | |

EXERCISE VIII—No. 28

| Dr. | | | | JOINT VENTURE | | | | Cr. | | | |
|------|-------------------------------|--------|----|---------------|------|---------------------|--------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| | To Shares A/c (A) . | 1,510 | - | - | | By Shares A/c (B) . | 967 | 15 | - | | |
| | " C, $\frac{1}{2}$ share of . | 22 | 15 | - | " | " C, 30' sh. (C) . | 475 | 10 | - | | |
| | " D, $\frac{1}{2}$ " (Profit) | 45 | 10 | - | " | " C, 30' sh. @ 30/- | 45 | - | - | | |
| | | | | | " | " D, 60 " @ 30/- | 90 | - | - | | |
| | | £1,578 | 5 | - | | | £1,578 | 5 | - | | |

(A) Purchase of 1,000 Shares @ 30/- + Expenses £10. (B) Sale of 600 Shares @ 32/6, less Expenses £7/5/-. (C) Sale of 310 Shares @ 31/-, less Expenses £5.

EXERCISE VIII—No. 28 (*contd.*).

| <i>Dr.</i> | | BANK ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|--------------------|--------------|----|----|------|---------------------|--------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| | To C | 503 | 6 | 8 | | By Shares A/c . . . | 1,510 | — | — |
| | " D | 1,006 | 13 | 4 | | " C | 481 | 1 | 8 |
| | " Shares A/c . . . | 967 | 15 | — | | " D | 982 | 3 | 4 |
| | " " | 475 | 10 | — | | | | | |
| | | £2,953 | 5 | — | | | £2,953 | 5 | — |

| Dr. | | C | | | | | Cr. | | |
|------|----------------------|-------------|----------|----------|------|---------------------|-------------|----------|----------|
| 19.. | To Joint A/c | £ 45 | s. — | d. — | 19.. | By Cash | £ 503 | s. 6 | d. 8 |
| | „ Bank | 481 | 1 | 8 | | „ Joint A/c | 22 | 15 | — |
| | | <u>£526</u> | <u>1</u> | <u>8</u> | | | <u>£526</u> | <u>1</u> | <u>8</u> |

| <i>Dr.</i> | | D | | | <i>Cr.</i> | | | | |
|------------|--------------------|--------|------|------|------------|---------------------|---------|-------|------|
| 19.. | To Joint A/c . . . | £ 90 | s. — | d. — | 19.. | By Cash | £ 1,006 | s. 13 | d. 4 |
| | „ Bank | 962 | 3 | 4 | | „ Joint A/c | 45 | 10 | — |
| | | £1,052 | 3 | 4 | | | £1,052 | 3 | 4 |

EXERCISE VIII—No. 29

| <i>Dr.</i> | | JOINT ACCOUNT | | | <i>Cr.</i> | | | | |
|------------|--|---------------|------|------|------------|--|------------|------|------|
| 19.. | To Cash | £ 478 | s. — | d. — | 19.. | By Syndicate . . . | £ 2,000 | s. — | d. — |
| | " " " " | 22 | — | — | | " White | 33 | — | — |
| | " Loss on Shares . . | 950 | — | — | | " (For his taking over balance of Stock) | | | |
| | " Balance to Capital Accounts: (For transfer of Profit) | | | | | | | | |
| | Black: $\frac{1}{2}$ share | 293 | — | — | | | | | |
| | White: $\frac{1}{2}$ " | 293 | — | — | | | | | |
| | | £2,036 | — | — | | | £2,036 | — | — |

| <i>Dr.</i> | | CAPITAL ACCOUNT—BLACK | | | <i>Cr.</i> | | | | |
|------------|---------------------|-----------------------|----|----|------------|---|------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| | To Syndicate Shares | 50 | — | — | | By Cash | 300 | — | — |
| | „ Cash | 593 | — | — | | „ „ „ „ | 50 | — | — |
| | | | | | | „ Share of Profit of Joint A/c . . . | 293 | — | — |
| | | £643 | — | — | | | £643 | — | — |

EXERCISE VIII—No. 29 (*contd.*).

| Dr. | | CAPITAL ACCOUNT—WHITE | | | | Cr. | | | |
|------|--------------------|-----------------------|----|----|------|---------------------------------------|-------------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| | To Joint Account . | 36 | — | — | | By Cash | 150 | — | — |
| | „ Cash | 407 | — | — | | „ Share of Profit of Joint Venture | 293 | — | — |
| | | <u>£443</u> | — | — | | | <u>£443</u> | — | — |

| Dr. | | SYNDICATE ACCOUNT | | | | Cr. | | | |
|------|--------------------|-------------------|------|------|------|------------------|---------|------|------|
| 19.. | To Joint Account . | £ 2,000 | s. — | d. — | 19.. | By Cash | £ 1,000 | s. — | d. — |
| | | | | | | „ Shares | 1,000 | — | — |
| | | £2,000 | — | — | | | £2,000 | — | — |

| <i>Dr.</i> | | | | SHARES ACCOUNT | | <i>Cr.</i> | | | |
|------------|--|------------|---------|----------------|------|---|---------|---------|---------|
| 19.. | To Syndicate . . . (For 1,000 shares of £1 fully paid) | £ 1,000 | s. — | d. — | 19.. | By Black (Shares taken over at agreed valuation) | £ 50 | s. — | d. — |
| | | | | | | „ Joint Account . (For transfer of loss of shares) | 950 | — | — |
| | | £1,000 | — | — | | | £1,000 | — | — |

| Dr. | | CASH BOOK | | | Cr. | | | | |
|------|---------------------|-----------|----|----|------|--------------------|--------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| | To Black's Cap. A/c | 300 | — | — | | By Joint A/c (A) | 478 | — | — |
| | „ White's | 150 | — | — | | „ (B) | 22 | — | — |
| | „ Black's | 50 | — | — | | „ Black's Cap. A/c | 593 | — | — |
| | „ Syndicate | 1,000 | — | — | | „ White's | 407 | — | — |
| | | £1,500 | — | — | | | £1,500 | — | — |

(A) Cost of Purchases and Experiments. (B) Patent Fees paid by White.

Note.—The question seems to suggest that White contributed a further £22; but, as sufficient cash was available at the time, the sum has been regarded as having been paid by WHITE out of such funds.

JOURNAL ENTRIES

| 19.. | | | £ | s. | d. | £ | s. | d. |
|------|---|----------------------------|------|----|----|------|----|----|
| Jan. | 4 | Joint Account | 254 | 12 | 6 | 254 | 12 | 6 |
| | | To A. Lemoine | | | | | | |
| 10 | | J. Carey | 138 | 10 | 6 | 138 | 10 | 6 |
| | | To Joint Account | | | | | | |
| 14 | | Joint Account | 4 | 8 | 4 | 4 | 8 | 4 |
| | | To J. Carey | | | | | | |
| 16 | | Joint Account | 31 | 4 | — | 31 | 4 | — |
| | | To A. Lemoine | | | | | | |
| 30 | | A. Lemoine | 428 | 15 | 4 | 428 | 15 | 4 |
| | | To Joint Account | 4 | 1 | 9 | 4 | 1 | 9 |
| | | | £432 | 17 | 1 | £432 | 17 | 1 |

| <i>Dr.</i> | CASH BOOK | | | | | | | | <i>Cr.</i> |
|------------|----------------------|----------|-----------|-----------|--------|----------------------|----------|-----------|------------|
| 19.. | | <i>£</i> | <i>s.</i> | <i>d.</i> | 19.. | | <i>£</i> | <i>s.</i> | <i>d.</i> |
| Jan. 16 | To Joint Account . . | 237 | 4 | 6 | Jan. 7 | By Joint Account . . | 4 | | 2 |
| " 30 | " A. Lemoine . . | 4 | 1 | 9 | " 16 | " A. Lemoine . . | 50 | 16 | |
| | | | | | " 30 | " Joint Account . . | 285 | 6 | 6 |
| | | | | | | | 8 | 3 | |

| LEDGER | | | | | | | | | | | |
|---------|---|--|---------------|----|----|---------|--------------------|--|------|----|----|
| Dr. | | | JOINT ACCOUNT | | | | | | Cr. | | |
| 19.. | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Jan. 4 | To A. Lemoine . . | | 254 | 12 | 6 | Jan. 10 | By Carey, J.. . . | | 138 | 10 | 6 |
| " 7 | " Cash | | 4 | 6 | 2 | " 16 | " Cash | | 237 | 4 | 6 |
| " 9 | " " | | 50 | — | — | | | | | | |
| " 14 | " J. Carey | | 4 | 8 | 4 | | | | | | |
| " 16 | " A. Lemoine . . | | 31 | 4 | — | | | | | | |
| | " Balance c/d . . | | 31 | 4 | — | | | | | | |
| | | | £375 | 15 | — | | | | £375 | 15 | — |
| Jan. 30 | To Cash | | 8 | 3 | 6 | Jan. 30 | By Balance b/d . . | | 31 | 4 | |
| " | " Balance to Profit and Loss | | 27 | 2 | 3 | " | " A. Lemoine . . | | 4 | 1 | 9 |
| | | | £35 | 5 | 9 | | | | £35 | 5 | 9 |

EXERCISE VIII—No. 30 (*contd.*).

| <i>Dr.</i> | | | A. LEMOINE | | | <i>Cr.</i> | | |
|------------|--------------------|--|------------|----|----|------------|---------------------------------|-------|
| 19.. | | | £ | s. | d. | 19.. | | |
| Jan. 16 | To Cash | | 285 | 16 | 6 | Jan. 4 | By Joint Account . | £ 254 |
| | | | | | | " 16 | " | 31 |
| | | | | | | | (Share of Profit on venture) | 12 |
| | | | | | | | | 4 |
| | | | £285 | 16 | 6 | | | 6 |
| Jan. 30 | To Joint Account . | | | | | Jan. 30 | By Cash | 4 |
| | | | | | | | | 1 |
| | | | | | | | | 9 |

Note.—It has been assumed that A. Lemoine has refunded £4 1s. 9d., which was an amount included in balance sent him on 16th—being in excess of correct amount.

EXERCISE IX—No. 1

THE SECTIONAL SYSTEM OF BALANCING is a system wherein accounts are classified, and grouped under particular categories for facility in control of posting.

Personal Accounts are classified into those of Debtors and Creditors, and a separate ledger is kept for each. The purpose served by this method is to prove each ledger independently, which purpose is effected by an adjustment account.

The advantages of Sectional Balancing are—

(a) Errors are localized to each separate ledger and reduce the necessary scope of investigation to one or other of the numerous ledgers, for all ledgers are self-balancing.

(b) Economy of time and effort are effected. The clerical staff can be conveniently allocated to writing up the various ledgers, etc., as against the loss of time caused by members of the staff waiting to do work in the LEDGER while some other member is "entering up" or "posting."

The alterations in X, Y, Z & Co.'s books necessary to make them completely "sectional" balancing are—

(a) To reduce the "Private and Nominal" Ledger to two ledgers, i.e. (1) "Private" and (2) "Nominal."

(b) The Journal and "Bank" Cash Books to have appropriate analysis columns for all ledgers kept. (See also *Advanced Accounts*, Chapter IX.)

EXERCISE IX—No. 2.

This question is explained fully in Chapter IX of *Advanced Accounts*.

EXERCISE IX—No. 3

The uses of the JOURNAL are adequately dealt with in Chapter I of *Advanced Accounts*.

The entries to be found in the JOURNAL of a business in which ledgers are balanced independently will be found elaborated in Chapter IX of *Advanced Accounts*.

EXERCISE IX—No. 4

J GARSIDE'S SALES (DEBTORS) LEDGER

| Dr. | | GENERAL LEDGER ADJUSTMENT ACCOUNT | | | | Cr. | | | |
|---------|----------------------|-----------------------------------|----|----|---------|----------------------|----------|----|----|
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | | | | | 19.. | | | | |
| Jan. 31 | To Returns Inwards | 942 | - | - | Jan. 1 | By Balance . . . | 12,542 | - | - |
| " 31 | " Cash . . . | 15,621 | - | - | " 31 | " Sales . . . | 21,655 | - | - |
| " 31 | " Discts. Allowed . | 968 | - | - | " 31 | " Bills Receivable . | 542 | - | - |
| " 31 | " Bills Receivable . | 3,471 | - | - | | (dishonoured) | | | |
| " 31 | " Balance c/d . . | 13,740 | - | - | | | | | |
| | | £ 34,742 | - | - | | | £ 34,742 | - | - |
| | | | | | Jan. 31 | By Balance b/d . . | 13,740 | - | - |

EXERCISE IX—No. 5.

SALES JOURNAL

[illegible][illegible]

Note.—It is probable that a separate JOURNAL would be kept for each, as illustrated.

(DEBIT SIDE)

[illegible][illegible]

To show above in relation to the Self-balancing of Ledgers, it would be necessary to post to accounts in the ordinary way, and then to show the "aggregate figures" of each analysis column in the relative adjustment accounts.

EXERCISE IX—No. 7.

| SALES BOOK | | | | | | TRIAL BALANCE | | | | | | Debits: | | |
|------------|------------------|------|----|----|--|--------------------|--|------|----|----|--|---------|--|--|
| | | £ | s. | d. | | | | £ | s. | d. | | | | |
| 19.. | | | | | | | | | | | | | | |
| Mar. 6 | J. Crow | 175 | 6 | 8 | | J. Crow | | 128 | 10 | — | | | | |
| " 10 | T. Finch | 180 | 13 | 4 | | T. Finch | | 180 | 13 | 4 | | | | |
| " 11 | L. Lark | 50 | — | — | | R. Robin | | 100 | — | — | | | | |
| " 14 | R. Robin | 135 | 11 | 8 | | | | | | | | | | |
| " 18 | J. Crow | 28 | 10 | — | | | | | | | | | | |
| | | | | | | General Ledger | | £409 | 3 | 4 | | | | |
| | | £570 | 1 | 8 | | Adjustment A/c Cr. | | 409 | 3 | 4 | | | | |

CASH BOOK

| Date. | Particulars. | Fol. | Disc. | Amount. | Date. | Particulars. | Fol. | Amount. |
|---------|------------------|------|-------|-----------|--------|-------------------|------|-----------|
| 19.. | | | | | 19.. | | | |
| Mar. 2 | To J. Crow . . . | | | £ 10 12 6 | Mar. 6 | By J. Crow . . . | | £ 1 13 4 |
| " 7 | " T. Finch . . . | | | 3 17 6 | | (Carriage) | | |
| " 17 | " R. Robin . . . | | | 35 11 8 | " 31 | " Balance c/d . . | | 723 8 4 |
| " 21 | " J. Jay . . . | | | 255 10 — | | | | |
| " 27 | " J. Crow . . . | | | 77 — | | | | |
| | | | | | | | | |
| | | | | £ 14 10 — | | | | £ 725 1 8 |
| Mar. 31 | To Bal. b/d . . | | | 723 8 4 | | | | |

SALES LEDGER

| Dr. | | | | JAMES CROW | | | | Cr. | | | | | |
|---------|---------------------|--|--|------------|----|----|--------|-------------------|--|--|------|----|----|
| 19.. | | | | £ | s. | d. | 19.. | | | | £ | s. | d. |
| Mar. 1 | To Balance . . . | | | 220 | 12 | 6 | Mar. 2 | By Cash | | | 210 | - | - |
| " 6 | " Sales | | | 175 | 6 | 8 | " 2 | " Discount . . . | | | 10 | 12 | 6 |
| " 6 | " Cash (Carriage) : | | | 1 | 13 | 4 | " 27 | " Cash | | | 77 | - | - |
| " 18 | " Sales | | | 28 | 10 | - | " 31 | " Balance c/d . . | | | 128 | 10 | - |
| | | | | £426 | 2 | 6 | | | | | £426 | 2 | 6 |
| Mar. 31 | To Balance b/d . . | | | 128 | 10 | - | | | | | | | |

| Dr. | | THOMAS FINCH | | | | | | Cr. | | |
|---------|--------------------|--------------|------|----|--------|-------------------|-----|------|----|----|
| 19.. | | | £ | s. | d. | 19.. | | £ | s. | d. |
| Mar. 1 | To Balance . . . | 150 | 17 | 6 | Mar. 7 | By Cash | 147 | — | — | |
| " 10 | " Sales | 180 | 13 | 4 | " 7 | " Discount . . . | 3 | 17 | 6 | |
| | | | | | " 31 | " Balance c/d . . | 180 | 13 | 4 | |
| | | | £331 | 10 | 10 | | | £331 | 10 | 10 |
| Mar. 31 | To Balance b/d . . | 180 | 13 | 4 | | | | | | |

| Dr. | | | | JOHN JAY | | | | Cr. | | | |
|--------|------------------|---|-----|----------|------|----|---|---------|-----------------|---|-----|
| 19.. | | | | | 19.. | | | | | | |
| Mar. 1 | To Balance . . . | £ | 270 | s. | 4 | d. | 6 | Mar. 21 | By Cash | £ | 255 |
| | | | | | | | | " 21 | " Bad Debts . . | | 14 |
| | | £ | 270 | | 4 | | 6 | | | £ | 270 |
| | | | | | | | | | | | |

EXERCISE IX—No. 7 (*contd.*).

| Dr. | | | | L. LARK | | | | Cr. | | | |
|---------|------------------|----|----|---------|---------|---|----|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Mar. 11 | To Sales | 50 | - | - | Mar. 31 | By Bought Ledger Adjustment (Amt. transfd.) | 50 | - | - | | |
| | | | | | | | | | | | |

| Dr. | | | | R. ROBIN | | | | Cr. | | | |
|---------|------------------|------|----|----------|---------|-------------------|------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Mar. 14 | To Sales | 135 | 11 | 8 | Mar. 17 | By Cash | 35 | 11 | 8 | | |
| | | | | | " 31 | " Balance c/d . . | 100 | — | — | | |
| | | £135 | 11 | 8 | | | £135 | 11 | 8 | | |

Note.—L. Lark's item has been regarded as one requiring transfer to the Bought Ledger, hence difference from the figure in *Advanced Accounts* list of Answers.

Either answer is correct.

| Dr. | | GENERAL LEDGER ADJUSTMENT ACCOUNT | | | | Cr. | | | |
|---------|---------------------|-----------------------------------|----|----|---------|--------------------|--------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Mar. 31 | To Cash | 725 | 1 | 8 | Mar. 1 | By Balance | 641 | 14 | 6 |
| " 31 | " Discounts | 14 | 10 | — | | (Total of Sales | | | |
| " 31 | " Bad Debts | 14 | 14 | 6 | | Ledger Bal. | | | |
| " 31 | " Bought Ledger | | | | | b/f) | | | |
| | Adjustment A/c | 50 | — | — | " 31 | " Sales | 570 | 1 | 8 |
| " 31 | " Balance c/d . . | 409 | 3 | 4 | | (Total of Sales | | | |
| | | | | | | Book) | | | |
| | | | | | " 31 | " Cash | 1 | 13 | 4 |
| | | | | | | (Amount paid | | | |
| | | | | | | on account of | | | |
| | | | | | | carriage) | | | |
| | | £1,213 | 9 | 6 | | | £1,213 | 9 | 6 |
| | | | | | Mar. 31 | By Balance b/d . . | 409 | 3 | 4 |

EXERCISE IX—No. 8.

MESSRS. JAMES OGDEN & CO.'s SALES LEDGER

| Dr. | | GENERAL LEDGER ADJUSTMENT ACCOUNT | | | | | | Cr. | |
|---------|------------------------|-----------------------------------|----|----|---------|--------------------|---------|-----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 31 | To Returns Inwards | 691 | 12 | — | June 30 | By Debtor Balances | 28,394 | 12 | 6 |
| " 31 | " Cash | 41,344 | 8 | 6 | Dec. 31 | " Sales | 58,421 | 10 | 8 |
| " 31 | " Discs. allowed . . | 1,504 | 9 | 3 | " 31 | " Bills Receivable | 550 | — | — |
| " 31 | " Bills Receivable . . | 4,210 | 1 | 2 | | (dishonoured) | | | |
| " 31 | " Bad Debts | 942 | 10 | — | " 31 | " Sundry Charges. | 29 | 4 | 6 |
| " 31 | " Balance c/d . . . | 38,702 | 6 | 9 | | | | | |
| | | £87,395 | 7 | 8 | | | £87,395 | 7 | 8 |
| | | | | | Dec. 31 | By Balance b/d . . | 38,702 | 6 | 9 |

EXERCISE IX—No. 8 (*contd.*).

MESSRS. JAMES OGDEN & CO.'s GENERAL LEDGER

Dr. SALES LEDGER ADJUSTMENT ACCOUNT Cr.

| | | £ | s. | d. | | | £ | s. | d. |
|---------|---------------------|----------|----|----|---------|---------------------|----------|----|----|
| 19.. | | | | | 19.. | | | | |
| June 30 | To Debtors' Bals. . | 28,394 | 12 | 6 | Dec. 31 | By Returns Inwards | 691 | 12 | — |
| Dec. 31 | " Sales | 58,421 | 10 | 8 | " 31 | " Cash | 41,344 | 8 | 6 |
| " 31 | " Bills Receivable. | 550 | — | — | " 31 | " Discts. allowed . | 1,504 | 9 | 3 |
| | (Dishonoured) | | | | " 31 | " Bills Receivable | 4,210 | 1 | 2 |
| " 31 | " Sundry Charges | 29 | 4 | 6 | " 31 | " Bad Debts . . . | 942 | 10 | — |
| | | | | | " 31 | " Balance c/d . . | 38,702 | 6 | 9 |
| | | £ 87,395 | 7 | 8 | | | £ 87,395 | 7 | 8 |
| Dec. 31 | To Balance b/d . . | 38,702 | 6 | 9 | | | | | |

EXERCISE IX—No. 9.

PURCHASES BOOK

BOUGHT LEDGER
TRIAL BALANCE

| | | | | | Credits. | | | | |
|-----------------------|--------------------|------|----|----|--------------------|------|----|----|--|
| | | £ | s. | d. | | £ | s. | d. | |
| 19.. | | | | | | | | | |
| Jan. 3 | S. Smith | 76 | 13 | 2 | S. Smith | 76 | 13 | 2 | |
| " 10 | B. Brown | 134 | 16 | 8 | B. Brown | 134 | 16 | 8 | |
| " 17 | J. Jones | 55 | 2 | 11 | J. Jones | 80 | 8 | 2 | |
| " 21 | T. Thompson . . . | 66 | 4 | 9 | T. Thompson . . . | 66 | 4 | 9 | |
| " 24 | H. Hewitt | 173 | 12 | 3 | H. Hewitt | 226 | 10 | 3 | |
| " 30 | L. Lovejoy | 157 | 6 | 10 | L. Lovejoy | 157 | 6 | 10 | |
| | | £663 | 16 | 7 | | £741 | 19 | 10 | |
| RETURNS OUTWARDS BOOK | | | | | Debits. | | | | |
| | | £ | s. | d. | | £ | s. | d. | |
| 19.. | | | | | | | | | |
| Jan. 11 | J. Jones | 13 | 14 | 8 | General Ledger Ad- | | | | |
| " 28 | L. Lovejoy | 17 | 6 | 11 | justment A/c . . | £741 | 19 | 10 | |
| | | £31 | 1 | 7 | | | | | |

Dr.

CASH BOOK

Cr.

| | | | | | Date. | Particulars. | Disct. | Bank. |
|--------|--|--|--|--|--------------------|--------------|-------------|-------|
| | | | | | | | | |
| 19.. | | | | | | | | |
| Jan. 5 | | | | | By L. Lovejoy . . | £ 9 4 9 | £ 175 10 10 | |
| " 12 | | | | | " H. Hewitt . . . | | 50 — — | |
| " 19 | | | | | " T. Thompson . . | 2 14 2 | 51 9 7 | |
| " 23 | | | | | " J. Jones | | 40 — — | |
| " 25 | | | | | " B. Brown | 3 18 3 | 74 6 5 | |
| " 31 | | | | | " S. Smith | 10 6 11 | 198 10 9 | |
| | | | | | | £ 26 4 1 | £ 587 17 7 | |

EXERCISE IX—No. 9 (*contd.*).

BILLS PAYABLE BOOK

| No. of Bill. | Date. | To Whom Given. | Tenor. | Due Date. | Fol. | Discount. | Amount. |
|--------------|-------------|------------------|--------|-----------|------|-----------|-----------|
| 1 | 19.. Jan. 4 | Brown, A. . . . | | | | £ 3 18 6 | £ 74 12 - |
| 2 | " 26 | Hewitt, H. . . . | | | | 3 5 9 | 62 9 9 |
| | | | | | | £7 4 3 | £137 1 9 |

Dr. GENERAL LEDGER ADJUSTMENT ACCOUNT Cr.

| | | | | | | | | | |
|-------------|--|--------|-------|------|--------------|---------------------|--------|------|------|
| 19.. Jan. 1 | To Ledger Balances | £ 867 | s. 12 | d. 6 | 19.. Jan. 31 | By Returns . . . | £ 31 | s. 1 | d. 7 |
| " 31 | " Purchases . . . (as per Purchases Book) | 663 | 16 | 7 | " 31 | " Cash . . . | 587 | 17 | 7 |
| | | | | | " 31 | " Discts. received. | 33 | 8 | 4 |
| | | | | | " 31 | " Bills Payable . | 137 | 1 | 9 |
| | | | | | " 31 | " Balance c/d . . | 741 | 19 | 10 |
| | | £1,531 | 9 | 1 | | | £1,531 | 9 | 1 |
| Jan. 31 | To Balance b/d . . | 741 | 19 | 10 | | | | | |

A. ALLCOTT'S BOUGHT LEDGER

Dr. S. SMITH Cr.

| | | | | | | | | | |
|--------------|-------------------|-------|-------|------|-------------|--------------------|-------|-------|------|
| 19.. Jan. 31 | To Cash | £ 196 | s. 10 | d. 9 | 19.. Jan. 1 | By Balance . . . | £ 206 | s. 17 | d. 8 |
| " 31 | " Discount . . . | 10 | 6 | 11 | " 3 | " Purchases . . | 76 | 13 | 2 |
| " 31 | " Balance c/d . . | 76 | 13 | 2 | | | £283 | 10 | 10 |
| | | £283 | 10 | 10 | Jan. 31 | By Balance b/d . . | 76 | 13 | 2 |

Dr. B. BROWN Cr.

| | | | | | | | | | |
|-------------|-------------------|------|-------|------|-------------|--------------------|-------|-------|------|
| 19.. Jan. 4 | To Bills Payable | £ 74 | s. 12 | d. - | 19.. Jan. 1 | By Balance . . . | £ 156 | s. 15 | d. 2 |
| " 4 | " Discount . . . | 3 | 18 | 6 | " 10 | " Purchases . . | 134 | 16 | 8 |
| " 25 | " Cash | 74 | 6 | 5 | | | £291 | 11 | 10 |
| " 25 | " Discount . . . | 3 | 18 | 3 | | | £291 | 11 | 10 |
| " 31 | " Balance c/d . . | 134 | 16 | 8 | Jan. 31 | By Balance b/d . . | 134 | 16 | 8 |
| | | £291 | 11 | 10 | | | | | |

Dr. J. JONES Cr.

| | | | | | | | | | |
|--------------|--------------------|------|-------|------|-------------|--------------------|------|-------|-------|
| 19.. Jan. 11 | To Returns O/ward. | £ 13 | s. 14 | d. 8 | 19.. Jan. 1 | By Balance . . . | £ 78 | s. 19 | d. 11 |
| " 23 | " Cash | 40 | - | - | " 17 | " Purchases . . | 55 | 2 | 11 |
| " 31 | " Balance c/d . . | 80 | 8 | 2 | | | £134 | 2 | 10 |
| | | £134 | 2 | 10 | Jan. 31 | By Balance b/d . . | 80 | 8 | 2 |

EXERCISE IX—No. 9 (*contd.*).

| Dr. | | T. THOMPSON | | | | | | Cr. | | |
|---------|-------------------|-------------|----|----|---------|--------------------|------|-----|----|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | |
| Jan. 19 | To Cash | 51 | 9 | 7 | Jan. 1 | By Balance . . . | 54 | 3 | 9 | |
| " 19 | " Discount . . . | 2 | 14 | 2 | " 21 | " Purchases . . | 66 | 4 | 9 | |
| " 31 | " Balance c/d . . | 66 | 4 | 9 | | | | | | |
| | | £120 | 8 | 6 | | | £120 | 8 | 6 | |
| | | | | | Jan. 31 | By Balance b/d . . | 66 | 4 | 9 | |

| <i>Dr.</i> | | H. HEWITT | | | | | <i>Cr.</i> | | |
|------------|---------------------|-------------|----------|----------|---------|--------------------|-------------|----------|----------|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 12 | To Cash | 50 | — | — | Jan. 1 | By Balance . . . | 168 | 13 | 6 |
| " 26 | " Bills Payable . . | 62 | 9 | 9 | " 24 | " Purchases . . | 173 | 12 | 3 |
| " 26 | " Discount . . . | 3 | 5 | 9 | | | | | |
| " 31 | " Balance c/d . . | 226 | 10 | 3 | | | | | |
| | | <u>£342</u> | <u>5</u> | <u>9</u> | | | <u>£342</u> | <u>5</u> | <u>9</u> |
| | | | | | Jan. 31 | By Balance b/d . . | 226 | 10 | 3 |

| Dr. | | L. LOVEJOY | | | | | Cr. | | |
|--------|-------------------|------------|----|----|---------|------------------|------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 5 | To Cash | 175 | 10 | 10 | Jan. 1 | By Balance . . . | 202 | 2 | 6 |
| " 5 | " Discount . . . | 9 | 4 | 9 | " 30 | " Purchases . . | 157 | 6 | 10 |
| " 28 | " Returns O/wards | 17 | 6 | 11 | | | | | |
| " 31 | " Balance c/d . . | 157 | 6 | 10 | | | | | |
| | | £359 | 9 | 4 | | | £359 | 9 | 4 |
| | | | | | Jan. 31 | By Balance b/d . | 157 | 6 | 10 |

EXERCISE IX—No. 10.

PURCHASES BOOK

BOUGHT LEDGER
TRIAL BALANCE

| DEBIT | | | | | CREDITS. | | | | |
|--------|------------------|------|----|----|------------------|--------|----|----|--|
| | | | | | | | | | |
| 19.. | | £ | s. | d. | | £ | s. | d. | |
| Mar. 4 | L. Luke | 247 | 9 | 3 | L. Luke | 302 | 8 | 9 | |
| " 11 | M. Matthew . . . | 65 | 14 | 8 | M. Matthew . . . | 366 | 8 | 8 | |
| " 18 | J. John | 73 | 10 | 2 | J. John | 73 | 10 | 2 | |
| " 22 | M. Mark | 127 | 6 | 11 | M. Mark | 127 | 6 | 11 | |
| " 25 | P. Paul | 48 | 15 | 6 | P. Paul | 48 | 15 | 6 | |
| " 30 | S. Silas | 165 | 18 | 10 | S. Silas | 235 | 9 | 7 | |
| | | £728 | 15 | 4 | | £1,153 | 19 | 7 | |

RETURNS OUTWARDS BOOK

| | | | | | <i>Debits.</i> | | | | |
|---------|------------------|-----|----|----|--------------------------------|--|-------|----|----|
| | | £ | s. | d. | | | £ | s. | d. |
| Mar. 13 | P. Paul | 27 | 10 | 6 | General Ledger Adjustment A/c. | | | | |
| „ 27 | M. Matthew . . . | 36 | 15 | 2 | | | | | |
| | | £64 | 5 | 8 | | | 1,153 | 19 | 7 |
| | | | | | | | | | |

EXERCISE IX—No 10 (contd.).

| Dr. | | | | CASH BOOK | | | | Cr. | | | | |
|-----|--|--|--|-----------|-------------------|--------|----|-----|-------|------|----|----|
| | | | | Date. | Particulars. | Disct. | | | Bank. | | | |
| | | | | 19. . | | £ | s. | d. | £ | s. | d. | |
| | | | | Mar. 6 | By S. Silas . . . | | | | 80 | - | - | |
| | | | | " 13 | " P. Paul . . . | 6 | - | 5 | 114 | 7 | 10 | |
| | | | | " 20 | " M. Mark . . . | 10 | 6 | 10 | 196 | 10 | - | |
| | | | | " 24 | " J. John . . . | 9 | 5 | 11 | 176 | 13 | - | |
| | | | | " 26 | " M. Matthew . . | | | | 100 | - | - | |
| | | | | " 31 | " L. Luke . . . | | | | 50 | - | - | |
| | | | | | | £ | 25 | 13 | 2 | £717 | 10 | 10 |

BILLS PAYABLE BOOK

| No. of Bill. | Date. | To Whom Given. | Tenor. | Due Date. | Fol. | Discount. | | | Amount. | | |
|--------------|---------|------------------|--------|-----------|------|-----------|----|----|---------|----|----|
| 1 | 19.. | | | | | £ | s. | d. | £ | s. | d. |
| 2 | Mar. 12 | L. Luke | | | | 8 | - | 10 | 152 | 16 | |
| | " 25 | S. Silas | | | | 10 | 6 | 10 | 196 | 9 | 1 |
| | | | | | | 18 | 7 | 8 | 349 | 5 | 1 |

P. ZUCKER'S BOUGHT LEDGER

| Dr. | | L. LUKE | | | | | | Cr. | | |
|---------|----------------------|-------------|----------|----------|---------|--------------------|-------------|----------|----------|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | |
| Mar. 12 | To Bills Payable . . | 152 | 16 | — | Jan. 1 | By Balance . . . | 265 | 16 | 4 | |
| " 12 | " Discount | 8 | — | 10 | Mar. 4 | " Purchases . . . | 247 | 9 | 3 | |
| " 31 | " Cash | 50 | — | — | | | | | | |
| " 31 | " Balance c/d . . . | 302 | 8 | 9 | | | | | | |
| | | <u>£513</u> | <u>5</u> | <u>7</u> | | | <u>£513</u> | <u>5</u> | <u>7</u> | |
| | | | | | Mar. 31 | By Balance b/d . . | 302 | 8 | 9 | |

| <i>Dr.</i> | | | | M. MATTHEW | | | | <i>Cr.</i> | | | |
|------------|-----------------------|------|----|------------|----|---------|--------------------|------------|----|----|----|
| 19.. | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Mar. 26 | To Cash | 100 | - | - | | Jan. 1 | By Balance . . . | 437 | 9 | 2 | |
| " 27 | " Returns O/wards . . | 36 | 15 | 2 | | Mar. 11 | " Purchases . . . | 65 | 14 | 8 | |
| " 31 | " Balance c/d . . . | 366 | 8 | 8 | | | | | | | |
| | | £503 | 3 | 10 | | | | £503 | 3 | 10 | |
| | | | | | | Mar. 31 | By Balance b/d . . | 366 | 8 | 8 | |

EXERCISE IX—No. 10 (*contd.*).

| Dr. | | | | J. JOHN | | | | Cr. | | | |
|---------|-------------------|------|----|---------|---------|--------------------|------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Mar. 24 | To Cash | 176 | 13 | — | Jan. 1 | By Balance . . . | 185 | 18 | 11 | | |
| " 24 | " Discount . . . | 9 | 5 | 11 | Mar. 18 | " Purchases . . . | 73 | 10 | 2 | | |
| " 31 | " Balance c/d . . | 73 | 10 | 2 | | | | | | | |
| | | £259 | 9 | 1 | | | £259 | 9 | 1 | | |
| | | | | | Mar. 31 | By Balance b/d . . | 73 | 10 | 2 | | |

| Dr. | | | | M. MARK | | | | Cr. | | | |
|---------|-------------------|------|----|---------|---------|--------------------|------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Mar. 20 | To Cash | 196 | 10 | — | Jan. 1 | By Balance . . . | 206 | 16 | 10 | | |
| " 20 | " Discount . . . | 10 | 6 | 10 | Mar. 22 | " Purchases . . . | 127 | 6 | 11 | | |
| " 31 | " Balance c/d . . | 127 | 6 | 11 | | | | | | | |
| | | £334 | 3 | 9 | | | £334 | 3 | 9 | | |
| | | | | | Mar. 31 | By Balance b/d . . | 127 | 6 | 11 | | |

| Dr. | | | | P. PAUL | | | | Cr. | | | |
|---------|--------------------|------|----|---------|---------|--------------------|------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Mar. 13 | To Returns O/wards | 27 | 10 | 6 | Jan. 1 | By Balance . . . | 147 | 18 | 9 | | |
| " 13 | " Cash | 114 | 7 | 10 | Mar. 25 | " Purchases . . . | 48 | 15 | 6 | | |
| " 13 | " Discount . . . | 6 | — | 5 | | | | | | | |
| " 31 | " Balance c/d . . | 48 | 15 | 6 | | | | | | | |
| | | £196 | 14 | 3 | | | £196 | 14 | 3 | | |
| | | | | | Mar. 31 | By Balance b/d . . | 48 | 15 | 6 | | |

| Dr. | | | | S. SILAS | | | | Cr. | | | |
|--------|---------------------|------|----|----------|---------|--------------------|------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Mar. 6 | To Cash | 80 | — | — | Jan. 1 | By Balance . . . | 356 | 6 | 8 | | |
| " 25 | " Bills Payable . . | 196 | 9 | 1 | Mar. 30 | " Purchases . . . | 165 | 18 | 10 | | |
| " 25 | " Discount . . . | 10 | 6 | 10 | | | | | | | |
| " 31 | " Balance c/d . . | 235 | 9 | 7 | | | | | | | |
| | | £522 | 5 | 6 | | | £522 | 5 | 6 | | |
| | | | | | Mar. 31 | By Balance b/d . . | 235 | 9 | 7 | | |

| Dr. | | | | GENERAL LEDGER ADJUSTMENT ACCOUNT | | | | Cr. | | | |
|---------|--------------------|--------|----|-----------------------------------|---------|---------------------|--------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Jan. 1 | To Ledger Balances | 1,600 | 6 | 8 | Mar. 31 | By Returns O/wards | 64 | 5 | 8 | | |
| Mar. 31 | " Purchases . . . | 728 | 15 | 4 | " 31 | " Cash | 717 | 10 | 10 | | |
| | | | | | " 31 | " Discts. received. | 44 | — | 10 | | |
| | | | | | " 31 | " Bills Payable . . | 349 | 5 | 1 | | |
| | | | | | " 31 | " Balance c/d . . . | 1,153 | 19 | 7 | | |
| | | £2,329 | 2 | — | | | £2,329 | 2 | — | | |
| Mar. 31 | To Balance b/d . . | 1,153 | 19 | 7 | | | | | | | |

EXERCISE IX—No. II.

SALES BOOK

| | | £ | s. | d. |
|--------|--------------------|------|----|----|
| 19.. | | | | |
| July 3 | B. Beard. . . . | 62 | 10 | 8 |
| " 10 | C. Cowan | 74 | 2 | 11 |
| " 17 | D. Doggett | 165 | 17 | 4 |
| " 21 | E. Eley | 120 | 13 | 6 |
| " 24 | F. Foxwell | 88 | 18 | 8 |
| " 30 | G. Graves | 99 | 19 | 9 |
| | | £612 | 2 | 10 |

SALES LEDGER
TRIAL BALANCE

| <i>Debits.</i> | | | | | |
|--------------------|------|----|----|--|--|
| | £ | s. | d. | | |
| B. Beard. . . . | 82 | 1 | 4 | | |
| C. Cowan | 137 | 10 | 11 | | |
| D. Doggett | 165 | 17 | 4 | | |
| E. Eley | 120 | 13 | 6 | | |
| F. Foxwell | 118 | 18 | 8 | | |
| G. Graves | 99 | 19 | 9 | | |
| | £725 | 1 | 6 | | |

RETURNS INWARDS BOOK

| | | £ | s. | d. |
|--------|-------------------|-----|----|----|
| 19.. | | | | |
| July 4 | G. Graves | 23 | 19 | 11 |
| " 23 | C. Cowan. . . . | 16 | 12 | 9 |
| | | £40 | 12 | 8 |

| <i>Credits.</i> | | | | | |
|--------------------------------|-----|----|----|--|--|
| | £ | s. | d. | | |
| General Ledger Adjustment A/c. | 725 | 1 | 6 | | |

Dr.

CASH BOOK

Cr.

| Date. | Particulars. | Disct. | | Bank. | | | | | | | |
|--------|-------------------|--------|----|-------|------|----|----|--|--|--|--|
| | | £ | s. | d. | £ | s. | d. | | | | |
| 19.. | | | | | | | | | | | |
| July 5 | To G. Graves . . | 8 | 2 | 3 | 154 | 2 | 6 | | | | |
| " 12 | " F. Foxwell . . | | | | 50 | - | - | | | | |
| " 19 | " E. Eley | 4 | 17 | 8 | 92 | 16 | 2 | | | | |
| " 23 | " D. Doggett . . | 4 | 5 | 3 | 80 | 19 | 3 | | | | |
| " 25 | " C. Cowan . . . | 2 | 17 | 6 | 54 | 12 | 8 | | | | |
| " 31 | " B. Beard . . . | | | | 40 | - | - | | | | |
| | | £20 | 2 | 8 | £472 | 10 | 7 | | | | |

BILLS RECEIVABLE BOOK

| No. of Bill. | Date. | From Whom Received. | Tenor. | Due Date. | Fol. | Discount. | | | Amount. | | |
|--------------|--------|---------------------|--------|-----------|------|-----------|----|----|---------|----|----|
| | | | | | | £ | s. | d. | £ | s. | d. |
| 1 | 19.. | | | | | 4 | 15 | 9 | 90 | 19 | 5 |
| 2 | July 6 | F. Foxwell . . . | | | | 3 | 6 | 10 | 63 | 9 | 10 |
| | " 26 | B. Beard | | | | | | | | | |
| | | | | | | £8 | 2 | 7 | £154 | 9 | 3 |

EXERCISE IX—No. 11 (*contd.*).

| Dr. | | GENERAL LEDGER ADJUSTMENT ACCOUNT | | | | | | Cr. | |
|---------|------------------------|-----------------------------------|----|----|---------|--------------------|--------|-----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| July 31 | To Returns Inwards | 40 | 12 | 8 | July 1 | By Ledger Balances | 808 | 16 | 5 |
| " 31 | " Cash | 472 | 10 | 7 | " 31 | " Sales | 612 | 2 | 10 |
| " 31 | " Disc't. allowed . . | 28 | 5 | 3 | | | | | |
| " 31 | " Bills Receivable . . | 154 | 9 | 3 | | | | | |
| " 31 | " Balance c/d . . . | 725 | 1 | 6 | | | | | |
| | | £1,420 | 19 | 3 | | | £1,420 | 19 | 3 |
| | | | | | July 31 | By Balance b/d . . | 725 | 1 | 6 |

E. BROCKWELL'S SALES LEDGER

| <i>Dr.</i> | | B. BEARD | | | | | | <i>Cr.</i> | | |
|------------|--------------------|-------------|-----------|----------|---------|---------------------|-------------|------------|----------|--|
| | | £ | s. | d. | | | £ | s. | d. | |
| 19.. | | | | | 19.. | | | | | |
| July 1 | To Balance . . . | 126 | 7 | 4 | July 26 | By Bills Receivable | 63 | 9 | 10 | |
| " 3 | " Sales | 62 | 10 | 8 | " 26 | " Discount . . . | 3 | 6 | 10 | |
| | | | | | " 31 | " Cash | 40 | — | — | |
| | | | | | " 31 | " Balance c/d . . | 82 | 1 | 4 | |
| | | <u>£188</u> | <u>18</u> | <u>—</u> | | | <u>£188</u> | <u>18</u> | <u>—</u> | |
| July 31 | To Balance b/d . . | 82 | 1 | 4 | | | | | | |

| Dr. | | C. COWAN | | | | | | Cr. | | |
|---------|--------------------|----------|----|----|---------|---------------------|------|-----|----|--|
| | | £ | s. | d. | | | £ | s. | d. | |
| 19.. | | | | | 19.. | | | | | |
| July 1 | To Balance | 137 | 10 | 11 | July 23 | By Returns Inwards | 16 | 12 | 9 | |
| " 10 | " Sales | 74 | 2 | 11 | " 25 | " Cash | 54 | 12 | 8 | |
| | | | | | " 25 | " Discounts | 2 | 17 | 6 | |
| | | | | | " 31 | " Balance c/d . . . | 137 | 10 | 11 | |
| | | £211 | 13 | 10 | | | £211 | 13 | 10 | |
| July 31 | To Balance b/d . . | 137 | 10 | 11 | | | | | | |

| <i>Dr.</i> | | D. DOGGETT | | | | | | <i>Cr.</i> | | |
|------------|--------------------|-------------|----------|-----------|---------|---------------------|-------------|------------|-----------|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | |
| July 1 | To Balance . . . | 85 | 4 | 6 | July 23 | By Cash | 80 | 19 | 3 | |
| " 17 | " Sales | 165 | 17 | 4 | " 23 | " Discount | 4 | 5 | 3 | |
| | | | | | " 31 | " Balance c/d . . . | 165 | 17 | 4 | |
| | | <u>£251</u> | <u>1</u> | <u>10</u> | | | <u>£251</u> | <u>1</u> | <u>10</u> | |
| July 31 | To Balance b/d . . | 165 | 17 | 4 | | | | | | |

| Dr. | | E. ELEY | | | | | | Cr. | | |
|---------|--------------------|---------|----|----|---------|---------------------|------|-----|----|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | |
| July 1 | To Balance | 97 | 13 | 10 | July 19 | By Cash | 92 | 16 | 2 | |
| " 21 | " Sales | 120 | 13 | 6 | " 19 | " Discount | 4 | 17 | 8 | |
| | | | | | " 31 | " Balance c/d . . . | 120 | 13 | 6 | |
| | | £218 | 7 | 4 | | | £218 | 7 | 4 | |
| July 31 | To Balance b/d . . | 120 | 13 | 6 | | | | | | |

EXERCISE IX—No. 11 (*contd.*).

| Dr. | | | | F. FOXWELL | | | | Cr. | | | | |
|---------|--------------------|--|--|-------------|-----------|-----------|--------|---------------------|--|-------------|-----------|-----------|
| 19.. | | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| July 1 | To Balance . . . | | | 175 | 15 | 2 | July 6 | By Bills Receivable | | 90 | 19 | 5 |
| " 24 | " Sales | | | 88 | 18 | 8 | " 6 | " Discount . . . | | 4 | 15 | 9 |
| | | | | | | | " 12 | " Cash | | 50 | — | — |
| | | | | | | | " 31 | " Balance c/d . . | | 118 | 18 | 8 |
| | | | | <u>£264</u> | <u>13</u> | <u>10</u> | | | | <u>£264</u> | <u>13</u> | <u>10</u> |
| July 31 | To Balance b/d . . | | | 118 | 18 | 8 | | | | | | |

| Dr. | | | | G. GRAVES | | | | Cr. | | | | |
|---------|--------------------|--|--|-------------|----------|----------|--------|--------------------|--|-------------|----------|----------|
| 19.. | | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| July 1 | To Balance . . . | | | 186 | 4 | 8 | July 4 | By Returns Inwards | | 23 | 19 | 11 |
| " 30 | " Sales | | | 99 | 19 | 9 | " 5 | " Cash | | 154 | 2 | 6 |
| | | | | | | | " 5 | " Discount . . . | | 8 | 2 | 3 |
| | | | | | | | " 31 | " Balance c/d . . | | 99 | 19 | 9 |
| | | | | <u>£286</u> | <u>4</u> | <u>5</u> | | | | <u>£286</u> | <u>4</u> | <u>5</u> |
| July 31 | To Balance b/d . . | | | 99 | 19 | 9 | | | | | | |

EXERCISE IX—No. 12

| SALES BOOK | | | | | | | SALES LEDGER TRIAL BALANCE | | | | | | | <i>Debits.</i> | | |
|------------|-------------------|--|--|--------|----|----|----------------------------|-------------------|--|--|--------|----|----|----------------|--|--|
| 19.. | | | | £ | s. | d. | | | | | £ | s. | d. | | | |
| Oct. 4 | A. Andrews . . . | | | 185 | 12 | 11 | | A. Andrews . . . | | | 223 | 8 | 3 | | | |
| " 11 | B. Binnie | | | 196 | 10 | 10 | | B. Binnie | | | 196 | 10 | 10 | | | |
| " 18 | C. Carter. . . . | | | 156 | 11 | 5 | | C. Carter. . . . | | | 156 | 11 | 5 | | | |
| " 22 | O. Orford | | | 163 | 12 | 7 | | O. Orford | | | 163 | 12 | 7 | | | |
| " 25 | P. Peel | | | 199 | 19 | 9 | | P. Peel | | | 199 | 19 | 9 | | | |
| " 31 | T. Turner | | | 187 | 17 | 8 | | T. Turner | | | 227 | 15 | — | | | |
| | | | | £1,090 | 5 | 2 | | | | | £1,167 | 17 | 10 | | | |

| RETURNS INWARDS BOOK | | | | | | | | | | | | | | <i>Credits.</i> | | |
|----------------------|-------------------|--|--|-----|----|----|--|--------------------|--|--|--------|----|----|-----------------|--|--|
| 19.. | | | | £ | s. | d. | | | | | £ | s. | d. | | | |
| Oct. 8 | P. Peel | | | 15 | 14 | 7 | | General Ledger Ad- | | | | | | | | |
| " 23 | B. Binnie | | | 16 | 10 | 8 | | justment Account | | | £1,167 | 17 | 10 | | | |
| | | | | £32 | 5 | 3 | | | | | | | | | | |

| BILLS RECEIVABLE BOOK | | | | | | | | | | | |
|-----------------------|-------------|---------------------|--------|-----------|------|-----------|----|----|---------|----|----|
| No. of Bill. | Date. | From Whom Received. | Tenor. | Due Date. | Fol. | Discount. | | | Amount. | | |
| 1 | 19.. Oct. 7 | A. Andrews . . . | | | | £ | s. | d. | £ | s. | d. |
| 2 | " 29 | T. Turner | | | | 4 | 6 | 9 | 82 | 8 | 5 |
| | | | | | | 3 | 15 | 8 | 71 | 17 | 10 |
| | | | | | | £8 | 2 | 5 | £154 | 6 | 3 |

EXERCISE IX—No. 12 (*contd.*).CASH BOOK
(DEBIT SIDE)

| Date. | Particulars. | Fol. | Discount. | | | Bank. | | |
|--------|--------------------|------|-----------|----|----|-------|----|----|
| 19.. | | | £ | s. | d. | £ | s. | d. |
| Oct. 6 | To T. Turner . . . | | | | | 70 | — | — |
| " 13 | " P. Peel . . . | | 5 | 11 | 1 | 105 | 10 | 3 |
| " 20 | " O. Orford . . . | | 10 | 7 | 8 | 197 | 5 | 6 |
| " 24 | " C. Carter . . . | | 8 | 8 | 10 | 160 | 7 | 10 |
| " 27 | " B. Binnie . . . | | 8 | 2 | 3 | 154 | 2 | 6 |
| " 31 | " A. Andrews . . . | | | | | 50 | — | — |
| | | | £32 | 9 | 10 | £737 | 6 | 1 |

G. GARDENER'S SALES LEDGER

| Dr. | | | | A. ANDREWS | | | | Cr. | | | |
|---------|--------------------|------|----|------------|--------|---------------------|------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Oct. 1 | To Balance . . . | 174 | 10 | 6 | Oct. 7 | By Bills Receivable | 82 | 8 | 5 | | |
| " 4 | " Sales . . . | 185 | 12 | 11 | " 7 | " Discount . . . | 4 | 6 | 9 | | |
| | | | | | " 31 | " Cash . . . | 50 | — | — | | |
| | | | | | " 31 | " Balance c/d . . | 223 | 8 | 3 | | |
| | | £360 | 3 | 5 | | | £360 | 3 | 5 | | |
| Oct. 31 | To Balance b/d . . | 223 | 8 | 3 | | | | | | | |

| Dr. | | | | B. BINNIE | | | | Cr. | | | |
|---------|--------------------|------|----|-----------|---------|--------------------|------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Oct. 1 | To Balance . . . | 178 | 15 | 5 | Oct. 23 | By Returns Inwards | 16 | 10 | 8 | | |
| " 11 | " Sales . . . | 196 | 10 | 10 | " 27 | " Cash . . . | 154 | 2 | 6 | | |
| | | | | | " 27 | " Discount . . . | 8 | 2 | 3 | | |
| | | | | | " 31 | " Balance c/d . . | 196 | 10 | 10 | | |
| | | £375 | 6 | 3 | | | £375 | 6 | 3 | | |
| Oct. 31 | To Balance b/d . . | 196 | 10 | 10 | | | | | | | |

| Dr. | | | | C. CARTER | | | | Cr. | | | |
|---------|--------------------|------|----|-----------|---------|-------------------|------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Oct. 1 | To Balance . . . | 168 | 16 | 8 | Oct. 24 | By Cash . . . | 160 | 7 | 10 | | |
| " 18 | " Sales . . . | 156 | 11 | 5 | " 24 | " Discount . . . | 8 | 8 | 10 | | |
| | | | | | " 31 | " Balance c/d . . | 156 | 11 | 5 | | |
| | | £325 | 8 | 1 | | | £325 | 8 | 1 | | |
| Oct. 31 | To Balance b/d . . | 156 | 11 | 5 | | | | | | | |

EXERCISE IX—No. 12 (contd.).

| Dr. | | | O. ORFORD | | | Cr. | | | | |
|---------|--------------------|--|-------------|----------|----------|---------|-------------------|-------------|----------|----------|
| 19.. | | | £ | s. | d. | 19.. | | | | |
| Oct. 1 | To Balance . . . | | 207 | 13 | 2 | Oct. 20 | By Cash . . . | £ 197 | 5 | 6 |
| " 22 | " Sales . . . | | 163 | 12 | 7 | " 20 | " Discount . . . | 10 | 7 | 8 |
| | | | | | | " 31 | " Balance c/d . . | 163 | 12 | 7 |
| | | | <u>£371</u> | <u>5</u> | <u>9</u> | | | <u>£371</u> | <u>5</u> | <u>9</u> |
| Oct. 31 | To Balance b/d . . | | 163 | 12 | 7 | | | | | |

| Dr. | | | P. PEEL | | | Cr. | | |
|---------|--------------------|--|-------------|-----------|----------|--------|--------------------|------------------|
| 19.. | | | £ | s. | d. | 19.. | | |
| Oct. 1 | To Balance . . . | | 126 | 15 | 11 | Oct. 8 | By Returns Inwards | £ 15 14 7 |
| " 25 | " Sales . . . | | 199 | 19 | 9 | " 13 | " Cash . . . | 105 10 3 |
| | | | | | | " 13 | " Discount . . . | 5 11 1 |
| | | | | | | " 31 | " Balance c/d . . | 199 19 9 |
| | | | <u>£326</u> | <u>15</u> | <u>8</u> | | | <u>£326</u> 15 8 |
| Oct. 31 | To Balance b/d . . | | 199 | 19 | 9 | | | |

| Dr. | | | T. TURNER | | | Cr. | | | | |
|---------|--------------------|-----|-----------|----|----|--------|--------------------|------|------|------|
| 19.. | | | £ | s. | d. | 19.. | | | | |
| Oct. 1 | To Balance . . . | 185 | 10 | 10 | | Oct. 6 | By Cash . . . | £ 70 | s. — | d. — |
| " 31 | " Sales . . . | 187 | 17 | 8 | | " 29 | " Bills Receivable | 71 | 17 | 10 |
| | | | | | | " 29 | " Discount . . . | 3 | 15 | 8 |
| | | | | | | " 31 | " Balance c/d . . | 227 | 15 | — |
| | | | £373 | 8 | 6 | | | £373 | 8 | 6 |
| Oct. 31 | To Balance b/d . . | 227 | 15 | — | | | | | | |

| <i>Dr.</i> | | GENERAL LEDGER ADJUSTMENT ACCOUNT | | | | | | <i>Cr.</i> | | |
|------------|----------------------|-----------------------------------|----------|----------|---------|--------------------|---------------|------------|----------|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | |
| Oct. 31 | To Returns Inwards | 32 | 5 | 3 | Oct. 1 | By Ledger Balances | 1,042 | 2 | 6 | |
| " 31 | " Cash | 737 | 6 | 1 | " 31 | " Sales | 1,090 | 5 | 2 | |
| " 31 | " Discts. Allowed . | 40 | 12 | 3 | | | | | | |
| " 31 | " Bills Receivable . | 154 | 6 | 3 | | | | | | |
| " 31 | " Balance c/d . . | 1,167 | 17 | 10 | | | | | | |
| | | <u>£2,132</u> | <u>7</u> | <u>8</u> | | | <u>£2,132</u> | <u>7</u> | <u>8</u> | |
| | | | | | Oct. 31 | By Balance b/d . . | 1,167 | 17 | 10 | |

EXERCISE IX—No. 13.

PURCHASES BOOK

SALES BOOK

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|-----------|---------------|--------|----|----|-----------|----------------|--------|----|----|
| Jan. 1-31 | Horsham . . . | 274 | — | — | Jan. 1-31 | Moore . . . | 276 | — | — |
| | Piggott . . . | 298 | — | — | | Roberts . . . | 365 | — | — |
| | Manton . . . | 237 | — | — | | Harrison . . . | 198 | — | — |
| | Coles . . . | 196 | — | — | | Squires . . . | 457 | — | — |
| | Day . . . | 189 | — | — | | Farrow . . . | 584 | — | — |
| | Bullen . . . | 285 | — | — | | Lonsdale . . . | 343 | — | — |
| | | £1,479 | — | — | | | £2,223 | — | — |

BOUGHT LEDGER
TRIAL BALANCESALES LEDGER
TRIAL BALANCE

| 19.. | | £ | | 19.. | | £ | £ |
|------|-----------------------------------|--------|--------|------|-----------------------------------|--------|--------|
| | Horsham . . . | 274 | | | Moore . . . | 276 | |
| | Piggott . . . | 298 | | | Roberts . . . | 365 | |
| | Manton . . . | 237 | | | Harrison . . . | 198 | |
| | Coles . . . | 196 | | | Squires . . . | 457 | |
| | Day . . . | 189 | | | Farrow . . . | 584 | |
| | Bullen . . . | 285 | | | Lonsdale . . . | 343 | |
| | General Ledger Adjustment A/c . . | 1,479 | | | General Ledger Adjustment A/c . . | | 2,223 |
| | | £1,479 | £1,479 | | | £2,223 | £2,223 |

Dr. (RECEIPTS)

CASH BOOK

(PAYMENTS) Cr.

| Name of Account. | Dis- count. | Bank. | Sales Led. | Gen. Led. | Name of Account. | Dis- count. | Bank. | Bght. Led. | Gen. Led. |
|---------------------|----------------|---------|---------------|--------------|------------------------------|----------------|-------|---------------|--------------|
| To Balance . . . | | £ 1,725 | £ | £ 1,725 | By Horsham . . . | 11 | £ 225 | £ 236 | £ |
| " Moore . . . | 28 | 546 | 574 | | " Piggott . . . | 17 | 333 | 350 | |
| " Roberts . . . | 10 | 196 | 206 | | " Manton . . . | 13 | 259 | 272 | |
| " Harrison . . . | 29 | 466 | 495 | | " Coles . . . | 15 | 289 | 314 | |
| " Squires . . . | 18 | 351 | 369 | | " Day . . . | 14 | 271 | 285 | |
| " Farrow . . . | 28 | 545 | 573 | | " Bullen . . . | 13 | 250 | 263 | |
| " Lonsdale . . . | 21 | 407 | 428 | | " Sundry Exps. | | 263 | | 263 |
| | | | | | " Graham's Drawings . . . | | 35 | | 35 |
| | | | | | " Winder's Drawings . . . | | 35 | | 35 |
| | | | | | " Salaries . . . | | 75 | | 75 |
| | | | | | " Wages . . . | | 125 | | 125 |
| | | | | | " Balance c/d . . | | 2,066 | | 2,066 |
| | | £134 | £4,236 | £2,645 | | | £83 | £4,236 | £1,720 |
| Jan. 31 To Bal. b/d | | 2,066 | | 2,066 | | | | | £2,599 |

EXERCISE IX—No. 13 (contd.).

| OPENING ENTRIES | | | | GENERAL LEDGER TRIAL BALANCE | | | |
|-----------------|-------------------------------|--------|--------|-------------------------------------|---------|---------|--|
| 19.. | | £ | £ | | £ | £ | |
| Jan. 1 | Cash | 1,725 | | Cash | 2,066 | | |
| | Stock | 2,750 | | Discounts Allowed | 134 | | |
| | Debtors | 2,645 | | Stock | 2,750 | | |
| | Plant and Machinery | 2,550 | | Purchases | 1,479 | | |
| | To Creditors | | 1,720 | Sundry Expenses | 263 | | |
| | " Capital A/cs— | | | Salaries | 75 | | |
| | Graham | | 3,975 | Wages | 125 | | |
| | Winder | | 3,975 | Plant and Machinery | 2,550 | | |
| | | £9,670 | £9,670 | Sales Ledger Adjust. A/c | 2,223 | | |
| | | | | Graham's Drawings | 35 | | |
| | | | | Winder's Drawings | 35 | | |
| | | | | Sales | | 2,223 | |
| | | | | Discounts Received | | 83 | |
| | | | | Bought Ledger Adjust. A/c | | 1,479 | |
| | | | | Capital Accounts— | | | |
| | | | | Graham | | 3,975 | |
| | | | | Winder | | 3,975 | |
| | | | | | £11,735 | £11,735 | |

Messrs. Graham & Winder

TRADING ACCOUNT

FOR MONTH ENDING 31ST JAN, 19..

| (Dr. side) | | £ | s. | d. |
|------------|--|--------|----|----|
| | To Stock, 1st Jan. | 2,750 | — | — |
| | " Purchases | 1,479 | — | — |
| | " Wages | 125 | — | — |
| | " Balance (gross profit) c/d | 1,019 | — | — |
| | | £5,373 | — | — |
| (Cr. side) | By Sales | 2,223 | — | — |
| | " Stock, 31st Jan.. | 3,150 | — | — |
| | | £5,373 | — | — |

Messrs. Graham & Winder

PROFIT AND LOSS ACCOUNT

Dr. FOR THE MONTH ENDED 31ST JANUARY, 19..

Cr.

| Dr. | £ | s. | d. | Cr. | £ | s. | d. |
|--|--------|----|----|--------------------------------|--------|----|----|
| To Discounts Allowed | 134 | — | — | By Trading Account | 1,019 | — | — |
| " Sundry Expenses | 388 | — | — | " Discounts Received | 83 | — | — |
| (including £125 due) | | | | | | | |
| " Salaries | 75 | — | — | | | | |
| " Provision for Bad Debts Res. | 100 | — | — | | | | |
| " Depreciation of Plant | 25 | 10 | — | | | | |
| (12% of £2,550 for 1 mth.) | | | | | | | |
| " Interest on Capital A/cs— | | | | | | | |
| Graham | 16 | 11 | 3 | | | | |
| Winder | 16 | 11 | 3 | | | | |
| " Balance (NET profit) to Cap. Accounts— | | | | | | | |
| Graham, $\frac{1}{2}$ share | 173 | 3 | 9 | | | | |
| Winder, " | 173 | 3 | 9 | | | | |
| | £1,102 | — | — | | £1,102 | — | — |

EXERCISE IX—No. 13 (contd.).

Messrs. Graham & Winder

BALANCE SHEET AS AT 31ST JANUARY, 19..

| LIABILITIES. | | | ASSETS. | | |
|--------------------------------------|--------|-------|--------------------------------------|--------|-------|
| | £ | s. d. | | £ | s. d. |
| Sundry Creditors . | 1,479 | — — | Cash | 2,066 | — — |
| Reserve for Out- standing Exps. . | 125 | — — | Debtors | 2,123 | — — |
| Capital Accounts— | | | Stock | 3,150 | — — |
| Graham. | 4,129 | 15 — | Plant & Machinery (NET) | 2,524 | 10 — |
| Winder | 4,129 | 15 — | | | |
| | £9,863 | 10 — | | £9,863 | 10 — |

BOUGHT LEDGER

| Dr. | | | HORSHAM | | | Cr. | | | |
|--------|---------------------|------|---------|----|---------|---------------------|------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. — | To Cash | 225 | — | — | Jan. 1 | By Balance | 236 | — | — |
| " — | " Discount | 11 | — | — | " — | " Purchases | 274 | — | — |
| " 31 | " Balance c/d . . . | 274 | — | — | | | | | |
| | | £510 | — | — | | | £510 | — | — |
| | | | | | Jan. 31 | By Balance b/d . . | 274 | — | — |

| Dr. | | | PIGGOTT | | | Cr. | | | |
|--------|---------------------|------|---------|----|---------|---------------------|------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. — | To Cash | 333 | — | — | Jan. 1 | By Balance | 350 | — | — |
| " — | " Discount | 17 | — | — | " — | " Purchases | 298 | — | — |
| " 31 | " Balance c/d . . . | 298 | — | — | | | | | |
| | | £648 | — | — | | | £648 | — | — |
| | | | | | Jan. 31 | By Balance b/d . . | 298 | — | — |

| Dr. | | | MANTON | | | Cr. | | | |
|--------|---------------------|------|--------|----|---------|---------------------|------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. — | To Cash | 259 | — | — | Jan. 1 | By Balance | 272 | — | — |
| " — | " Discount | 13 | — | — | " — | " Purchases | 237 | — | — |
| " 31 | " Balance c/d . . . | 237 | — | — | | | | | |
| | | £509 | — | — | | | £509 | — | — |
| | | | | | Jan. 31 | By Balance b/d . . | 237 | — | — |

EXERCISE IX—No. 13 (*contd.*).

| <i>Dr.</i> | | | COLES | | | <i>Cr.</i> | | |
|------------|-------------------|------|-------|----|----|------------|------------------|-------|
| 19.. | | | £ | s. | d. | 19.. | | |
| Jan. — | To Cash | 299 | — | — | — | Jan. 1 | By Balance . . . | £ 314 |
| " — | " Discount . . . | 15 | — | — | — | " — | " Purchases . . | 196 |
| " 31 | " Balance c/d . . | 196 | — | — | — | | | |
| | | £510 | — | — | — | | | £510 |
| | | | | | | Jan. 31 | By Balance b/d . | 196 |

| <i>Dr.</i> | | | DAY | | | <i>Cr.</i> | | |
|------------|-------------------|------|-----|----|----|------------|------------------|-------|
| 19.. | | | £ | s. | d. | 19.. | | |
| Jan. — | To Cash | 271 | — | — | — | Jan. 1 | By Balance . . . | £ 285 |
| " — | " Discount . . . | 14 | — | — | — | " — | " Purchases . . | 189 |
| " 31 | " Balance c/d . . | 189 | — | — | — | | | |
| | | £474 | — | — | — | | | £474 |
| | | | | | | Jan. 31 | By Balance b/d . | 189 |

| <i>Dr.</i> | | | BULLEN | | | <i>Cr.</i> | | |
|------------|-------------------|------|--------|----|----|------------|------------------|-------|
| 19.. | | | £ | s. | d. | 19.. | | |
| Jan. — | To Cash | 250 | — | — | — | Jan. 1 | By Balance . . . | £ 263 |
| " — | " Discount . . . | 13 | — | — | — | " — | " Purchases . . | 285 |
| " 31 | " Balance c/d . . | 285 | — | — | — | | | |
| | | £548 | — | — | — | | | £548 |
| | | | | | | Jan. 31 | By Balance b/d . | 285 |

| <i>Dr.</i> | | | GENERAL LEDGER ADJUSTMENT ACCOUNT | | | <i>Cr.</i> | | |
|------------|------------------|--------|-----------------------------------|----|----|------------|-------------------|---------|
| 19.. | | | £ | s. | d. | 19.. | | |
| Jan. 1 | To Balance . . . | 1,720 | — | — | — | Jan. 31 | By Cash | £ 1,637 |
| " 31 | " Purchases . . | 1,479 | — | — | — | " 31 | " Discs. Received | 83 |
| | | | | | | " 31 | " Balance c/d . . | 1,479 |
| | | £3,199 | — | — | — | | | £3,199 |
| Jan. 31 | To Balance b/d . | 1,479 | — | — | — | | | |

SALES LEDGER

| <i>Dr.</i> | | | MOORE | | | <i>Cr.</i> | | |
|------------|------------------|------|-------|----|----|------------|-------------------|-------|
| 19.. | | | £ | s. | d. | 19.. | | |
| Jan. 1 | To Balance . . . | 574 | — | — | — | Jan. — | By Cash | £ 546 |
| " — | " Sales | 276 | — | — | — | " — | " Discount . . . | 28 |
| | | | | | | " 31 | " Balance c/d . . | 276 |
| | | £850 | — | — | — | | | £850 |
| Jan. 31 | To Balance b/d . | 276 | — | — | — | | | |

EXERCISE IX—No. 13 (contd.).

| <i>Dr.</i> | | | ROBERTS | | | <i>Cr.</i> | | |
|------------|--------------------|--|---------|----|----|------------|-------------------|-------|
| 19.. | | | £ | s. | d. | 19.. | | |
| Jan. 1 | To Balance . . . | | 206 | — | — | Jan. — | By Cash . . . | £ 196 |
| " — | " Sales . . . | | 365 | — | — | " — | " Discount . . . | 10 |
| | | | | | | " 31 | " Balance c/d . . | 365 |
| | | | £571 | — | — | | | |
| Jan. 31 | To Balance b/d . . | | 365 | — | — | | | £571 |

| <i>Dr.</i> | | | HARRISON | | | <i>Cr.</i> | | |
|------------|--------------------|--|----------|----|----|------------|-------------------|-------|
| 19.. | | | £ | s. | d. | 19.. | | |
| Jan. 1 | To Balance . . . | | 495 | — | — | Jan. — | By Cash . . . | £ 466 |
| " — | " Sales . . . | | 198 | — | — | " — | " Discount . . . | 29 |
| | | | | | | " 31 | " Balance c/d . . | 198 |
| | | | £693 | — | — | | | £693 |
| Jan. 31 | To Balance b/d . . | | 198 | — | — | | | |

| <i>Dr.</i> | | | SQUIRES | | | <i>Cr.</i> | | |
|------------|--------------------|--|---------|----|----|------------|-------------------|-------|
| 19.. | | | £ | s. | d. | 19.. | | |
| Jan. 1 | To Balance . . . | | 369 | — | — | Jan. — | By Cash . . . | £ 351 |
| " — | " Sales . . . | | 457 | — | — | " — | " Discount . . . | 18 |
| | | | | | | " 31 | " Balance c/d . . | 457 |
| | | | £826 | — | — | | | £826 |
| Jan. 31 | To Balance b/d . . | | 457 | — | — | | | |

| <i>Dr.</i> | | | FARROW | | | <i>Cr.</i> | | |
|------------|--------------------|--|--------|----|----|------------|-------------------|--------|
| 19.. | | | £ | s. | d. | 19.. | | |
| Jan. 1 | To Balance . . . | | 573 | — | — | Jan. — | By Cash . . . | £ 545 |
| " — | " Sales . . . | | 584 | — | — | " — | " Discount . . . | 28 |
| | | | | | | " 31 | " Balance c/d . . | 584 |
| | | | £1,157 | — | — | | | £1,157 |
| Jan. 31 | To Balance b/d . . | | 584 | — | — | | | |

| <i>Dr.</i> | | | LONSDALE | | | <i>Cr.</i> | | |
|------------|--------------------|--|----------|----|----|------------|-------------------|-------|
| 19.. | | | £ | s. | d. | 19.. | | |
| Jan. 1 | To Balance . . . | | 428 | — | — | Jan. — | By Cash . . . | £ 407 |
| " — | " Sales . . . | | 343 | — | — | " — | " Discount . . . | 21 |
| | | | | | | " 31 | " Balance c/d . . | 343 |
| | | | £771 | — | — | | | £771 |
| Jan. 31 | To Balance b/d . . | | 343 | — | — | | | |

EXERCISE IX—No. 13 (contd.).

| Dr. | | GENERAL LEDGER ADJUSTMENT ACCOUNT | | | | | | Cr. | | |
|---------|-------------------|-----------------------------------|---|----|----|---------|--------------------|--------|----|----|
| 19.. | | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 31 | To Cash | 2,511 | - | - | | Jan. 1 | By Ledger Balances | 2,645 | - | - |
| " 31 | " Discounts . . . | 134 | - | - | | " 31 | " Sales | 2,223 | - | - |
| " 31 | " Balance c/d . . | 2,223 | - | - | | | (as per Sales Bk.) | | | |
| | | £4,868 | - | - | | | | £4,868 | - | - |
| | | | | | | Jan. 31 | By Balance b/d . . | 2,223 | - | - |

| Dr. | | GENERAL LEDGER STOCK ACCOUNT | | | | | | Cr. | | |
|--------|------------------|---------------------------------|---|----|----|--|--|-----|--|--|
| 19.. | | | £ | s. | d. | | | | | |
| Jan. 1 | To Balance . . . | 2,750 | - | - | | | | | | |

| Dr. | | PURCHASES ACCOUNT | | | | | | Cr. | | |
|---------|-------------------|-------------------|---|----|----|--|--|-----|--|--|
| 19.. | | | £ | s. | d. | | | | | |
| Jan. 31 | To Sundries . . . | 1,479 | - | - | | | | | | |

| Dr. | | SALES ACCOUNT | | | | | | Cr. | | |
|-----|--|---------------|--|--|--|---------|-------------------|-------|----|----|
| | | | | | | 19.. | | £ | s. | d. |
| | | | | | | Jan. 31 | By Sundries . . . | 2,223 | - | - |

| Dr. | | DISCOUNTS RECEIVED ACCOUNT | | | | | | Cr. | | |
|-----|--|----------------------------|--|--|--|---------|-------------------|-----|----|----|
| | | | | | | 19.. | | £ | s. | d. |
| | | | | | | Jan. 31 | By Sundries . . . | 83 | - | - |

| Dr. | | DISCOUNTS ALLOWED ACCOUNT | | | | | | Cr. | | |
|---------|-------------------|---------------------------|---|----|----|--|--|-----|--|--|
| 19.. | | | £ | s. | d. | | | | | |
| Jan. 31 | To Sundries . . . | 134 | - | - | | | | | | |

| Dr. | | SUNDRY EXPENSES ACCOUNT | | | | | | Cr. | | |
|--------|-----------------|-------------------------|---|----|----|--|--|-----|--|--|
| 19.. | | | £ | s. | d. | | | | | |
| Jan. — | To Cash | 263 | - | - | | | | | | |

| Dr. | | WAGES ACCOUNT | | | | | | Cr. | | |
|--------|-----------------|---------------|---|----|----|--|--|-----|--|--|
| 19.. | | | £ | s. | d. | | | | | |
| Jan. — | To Cash | 125 | - | - | | | | | | |

EXERCISE IX—No. 13 (*contd.*).

| <i>Dr.</i> | | SALARIES ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|-----------------|------------------|----|----|--|--|--|------------|--|
| 19.. | | £ | s. | d. | | | | | |
| Jan. — | To Cash | 75 | — | — | | | | | |

| <i>Dr.</i> | | PLANT AND MACHINERY ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|------------------|-----------------------------|----|----|--|--|--|------------|--|
| 19.. | | £ | s. | d. | | | | | |
| Jan. 1 | To Balance . . . | 2,550 | — | — | | | | | |

| <i>Dr.</i> | | PARTNERS' DRAWINGS ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|--------------------|----------------------------|----|----|--|--|--|------------|--|
| 19.. | | £ | s. | d. | | | | | |
| Jan. — | To Cash (Graham) . | 35 | — | — | | | | | |
| | " " (Winder) . | 35 | — | — | | | | | |

| <i>Dr.</i> | | CAPITAL ACCOUNT—GRAHAM | | | | | | <i>Cr.</i> | |
|------------|--|------------------------|--|--|--------|------------------|---------|------------|------|
| | | | | | | | | | |
| | | | | | 19.. | | | | |
| | | | | | Jan. 1 | By Balance . . . | £ 3,975 | s. — | d. — |

| <i>Dr.</i> | | CAPITAL ACCOUNT—WINDER | | | | | | <i>Cr.</i> | |
|------------|--|------------------------|--|--|--------|------------------|---------|------------|------|
| | | | | | | | | | |
| | | | | | 19.. | | | | |
| | | | | | Jan. 1 | By Balance . . . | £ 3,975 | s. — | d. — |

| <i>Dr.</i> | | BOUGHT LEDGER ADJUSTMENT ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|--------------------|----------------------------------|----|----|---------|--------------------|--------|------------|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 31 | To Cash | 1,637 | — | — | Jan. 1 | By Ledger Balances | 1,720 | — | — |
| " 31 | " Discts. Received | 83 | — | — | " 31 | " Purchases . . | 1,479 | — | — |
| " 31 | " Balance c/d . . | 1,479 | — | — | | | | | |
| | | £3,199 | — | — | | | £3,199 | — | — |
| | | | | | Jan. 31 | By Balance b/d . | 1,479 | — | — |

| <i>Dr.</i> | | SALES LEDGER ADJUSTMENT ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|--------------------|---------------------------------|----|----|---------|---------------------|--------|------------|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 1 | To Ledger Balances | 2,645 | — | — | Jan. 31 | By Cash | 2,511 | — | — |
| " 31 | " Sales | 2,223 | — | — | " 31 | " Discts. Allowed . | 134 | — | — |
| | | | | | " 31 | " Balance c/d . . | 2,223 | — | — |
| | | £4,868 | — | — | | | £4,868 | — | — |
| Jan. 31 | To Balance b/d . . | 2,223 | — | — | | | | | |

Note.—It has been thought an advantage to the teacher and student to leave the General Ledger at that point which makes it possible for the General Ledger Trial Balance to be constructed.

EXERCISE IX—No. 14

OPENING ENTRIES

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|----------------------------------|---------------|----------|----------|---------------|----------|----------|
| Jan. 1 | Cash | 50 | — | — | | | |
| | Bank | 870 | — | — | | | |
| | Stock | 1,000 | — | — | | | |
| | Bills Receivable | 375 | — | — | | | |
| | A. Arthur | 275 | 16 | 4 | | | |
| | B. Brown | 361 | 14 | 2 | | | |
| | F. Flower | 250 | 12 | 2 | | | |
| | C. Cook | 873 | 5 | 11 | | | |
| | Furniture and Fixtures | 200 | — | — | | | |
| | Plant and Machinery | 1,700 | — | — | | | |
| | To Bills Payable | | | | 420 | — | — |
| | „ D. Dunlop | | | | 174 | 13 | 2 |
| | „ G. Garnet | | | | 127 | 16 | 10 |
| | „ E. Ernest | | | | 86 | 15 | 9 |
| | „ F. Franklin | | | | 217 | 6 | 10 |
| | „ Capital Account | | | | 4,929 | 16 | — |
| | | <u>£5,956</u> | <u>8</u> | <u>7</u> | <u>£5,956</u> | <u>8</u> | <u>7</u> |

BOUGHT LEDGER TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|-------------------------------|---------------|-----------|----------|---------------|-----------|----------|
| D. Dunlop | | | | 612 | 1 | 7 |
| G. Garnet | | | | 216 | 12 | 2 |
| E. Ernest | | | | 459 | 3 | 8 |
| F. Franklin | | | | 264 | 17 | 10 |
| General Ledger Adjustment A/c | 1,552 | 15 | 3 | | | |
| | <u>£1,552</u> | <u>15</u> | <u>3</u> | <u>£1,552</u> | <u>15</u> | <u>3</u> |

SALES LEDGER TRIAL BALANCE

| 19.. | £ | s. | d. | £ | s. | d. |
|-------------------------------|---------------|-----------|----------|---------------|-----------|----------|
| A. Arthur | 514 | 16 | 1 | | | |
| B. Brown | 228 | 14 | — | | | |
| F. Flower | 209 | 12 | 4 | | | |
| C. Cook | 316 | 15 | 8 | | | |
| General Ledger Adjustment A/c | | | | 1,269 | 18 | 1 |
| | <u>£1,269</u> | <u>18</u> | <u>1</u> | <u>£1,269</u> | <u>18</u> | <u>1</u> |

EXERCISE IX—No. 14 (*contd.*).

PURCHASES BOOK

| 19.. | | | | | | | | £ | s. | d. |
|--------|-------------|----|---|---|---|---|---|--------|----|----|
| Jan. 7 | D. Dunlop | .. | . | . | . | . | . | 612 | 1 | 7 |
| " 14 | E. Ernest | . | . | . | . | . | . | 459 | 3 | 8 |
| " 21 | F. Franklin | . | . | . | . | . | . | 275 | 10 | 6 |
| " 24 | G. Garnet | . | . | . | . | . | . | 216 | 12 | 2 |
| | | | | | | | | £1,563 | 7 | 11 |

SALES BOOK

| 19.. | | | | | | | | £ | s. | d. |
|--------|-----------|---|---|---|---|---|---|--------|----|----|
| Jan. 4 | A. Arthur | . | . | . | . | . | . | 359 | 8 | 7 |
| " 13 | B. Brown | . | . | . | . | . | . | 246 | 10 | 2 |
| " 18 | F. Flower | . | . | . | . | . | . | 209 | 12 | 4 |
| " 25 | C. Cook | . | . | . | . | . | . | 316 | 15 | 8 |
| | | | | | | | | £1,132 | 6 | 9 |

RETURNS OUTWARDS BOOK

| 19.. | | | | | | | | £ | s. | d. |
|---------|-------------|---|---|---|---|---|---|----|----|----|
| Jan. 24 | F. Franklin | . | . | . | . | . | . | 10 | 12 | 8 |

RETURNS INWARDS BOOK

| 19.. | | | | | | | | £ | s. | d. |
|---------|----------|---|---|---|---|---|---|----|----|----|
| Jan. 15 | B. Brown | . | . | . | . | . | . | 17 | 6 | 2 |

BILLS PAYABLE BOOK

| No. of Bill. | Date. | To Whom Given. | | Tenor. | Due Date. | Fol. | Disct. | Amount. |
|--------------|---------|-----------------|---------|--------|-----------|------|---------|---------|
| | 19.. | | Dated. | | 19.. | | £ s. d. | £ s. d. |
| 87 | Jan. 22 | G. Garnet . . . | Jan. 21 | 2 mos. | Mar. 24 | | 6 7 10 | 121 9 - |

BILLS RECEIVABLE BOOK

| No. of Bill. | Date. | From Whom Received. | | Tenor. | Due Date. | Fol. | Disct. | Amount. |
|--------------|---------|---------------------|---------|--------|-----------|------|---------|----------|
| | 19.. | | Dated. | | 19.. | | £ s. d. | £ s. d. |
| 59 | Jan. 15 | F. Flower . . . | Jan. 13 | 2 mos. | Mar. 16 | | 12 10 7 | £238 1 7 |

EXERCISE IX—No. 14 (contd.).

(CREDIT SIDE)

| Date. | Particulars. | Fol. | Discount. | | Cash. | | Bank. | | Bought Ledger. | | Sales Ledger. | | General Ledger. |
|---------|--|------|-----------|----|-------|----|--------|----|----------------|----|---------------|----|-----------------|
| | | | £ | s. | £ | s. | £ | s. | £ | s. | £ | s. | £ |
| 19.. 4 | By Wages | | | | | | £ 27 | 13 | | | | | £ 27 |
| Jan. 11 | " " D. Dunlop | | | | | | 31 | 14 | | | | | 13 |
| " 13 | " " Bills Payable, No. 86 | | 8 | 14 | | | 165 | 18 | 174 | 13 | | | 31 |
| " 15 | " " E. Ernest | | 4 | 6 | | | 270 | | | | | | 270 |
| " 16 | " " Wages | | | | | | 82 | 9 | 86 | 15 | | | 42 |
| " 18 | " " Bills Payable, No. 85 | | | | | | 42 | 16 | | | | | 16 |
| " 19 | " " F. Franklin | | | | | | 150 | | | | | | — |
| " 23 | " " A. Arthur (for dishonoured bill [No. 54] and noting charges) | | 10 | 17 | | | 206 | 9 | 217 | 6 | | | 150 |
| " 24 | " " Wages | | | | | | 155 | 7 | | | 155 | 7 | 30 |
| " 25 | " " Drawings | | | | | | 30 | 6 | | | | | 6 |
| " 27 | " " Salaries | | | | | | 50 | — | | | | | 10 |
| " 31 | " " Purchases | | | | | | 42 | 10 | | | | | 8 |
| " 31 | " " Rent, Rates, and Taxes | | | | | | 24 | 15 | | | | | 2 |
| " 31 | " " Petty Cash (refund to petty cashier of expenses for month) | | | | | | 27 | 19 | | | | | 6 |
| " 31 | " " Balance c/d | | | | | | 17 | 4 | | | | | 11 |
| | | | | | | | 1,382 | 12 | | | | | 1,382 |
| | | | £23 | 18 | | | £2,707 | 19 | £478 | 15 | £155 | 7 | £2,047 |
| | | | | | | | | | | | | | 14 |
| | | | | | | | | | | | | | 7 |

(DEBIT SIDE)

| Date. | Particulars. | Fol. | Discount. | | Details. | | Bank. | | Bought Ledger. | | Sales Ledger. | | General Ledger. |
|---------|--|------|-----------|----|----------|----|--------|----|----------------|----|---------------|----|-----------------|
| | | | £ | s. | £ | s. | £ | s. | £ | s. | £ | s. | £ |
| 19.. 1 | To Balance | | | | | | £ 870 | | | | | | £ 870 |
| Jan. 10 | " " B. Brown | | 18 | 1 | | | 343 | 12 | | | 361 | 14 | |
| " 15 | " " A. Arthur | | 13 | 15 | | | 262 | — | | | 275 | 16 | |
| " 16 | " " Bills Receivable, No. 86 | | | | | | 120 | 7 | | | | | 2 |
| " 22 | " " C. Cook | | 43 | 13 | | | 829 | 12 | | | 873 | 5 | |
| " 23 | " " Bills Receivable, No. 57 | | | | | | 155 | — | | | | | 11 |
| " 26 | " " Sales | | | | | | 100 | — | | | | | 155 |
| " 31 | " " Sales | | | | | | 27 | 13 | | | | | 100 |
| | | | | | | | £2,707 | 19 | | | £1,510 | 16 | 27 |
| | | | £75 | 10 | | | | | | | | | £1,272 |
| | | | | | | | | | | | | | 13 |
| | | | | | | | | | | | | | 5 |
| Jan. 31 | To Balance b/d | | | | | | | | | | | | |

EXERCISE IX—No. 14 (*contd.*).

BOUGHT LEDGER

| <i>Dr.</i> | | D. DUNLOP | | | | | <i>Cr.</i> | | |
|------------|-------------------|-------------|-----------|----------|---------|--------------------|-------------|-----------|----------|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 13 | To Cash | 165 | 18 | 6 | Jan. 1 | By Balance . . . | 174 | 13 | 2 |
| " 13 | " Discount . . . | 8 | 14 | 8 | " 7 | " Purchases . . . | 612 | 1 | 7 |
| " 31 | " Balance c/d . . | 612 | 1 | 7 | | | | | |
| | | <u>£786</u> | <u>14</u> | <u>9</u> | | | <u>£786</u> | <u>14</u> | <u>9</u> |
| | | | | | Jan. 31 | By Balance b/d . . | 612 | 1 | 7 |

| <i>Dr.</i> | | G. GARNET | | | | | <i>Cr.</i> | | |
|------------|----------------------|-----------|----|----|---------|--------------------|------------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 22 | To Bills Payable . . | 121 | 9 | — | Jan. 1 | By Balance . . . | 127 | 16 | 10 |
| " 22 | " Discount | 6 | 7 | 10 | " 24 | " Purchases . . . | 216 | 12 | 2 |
| " 31 | " Balance c/d . . | 216 | 12 | 2 | | | | | |
| | | £344 | 9 | — | | | £344 | 9 | — |
| | | | | | Jan. 31 | By Balance b/d . . | 216 | 12 | 2 |

| Dr. | | E. ERNEST | | | | | Cr. | | |
|---------|--------------------|-----------|----|----|---------|--------------------|------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 16 | To Cash | 82 | 9 | — | Jan. 1 | By Balance . . . | 86 | 15 | 9 |
| " 18 | " Discount | 4 | 6 | 9 | " 14 | " Purchases . . . | 459 | 3 | 8 |
| " 31 | " Balance c/d . . | 459 | 3 | 8 | | | | | |
| | | £545 | 19 | 5 | | | £545 | 19 | 5 |
| | | | | | Jan. 31 | By Balance b/d . . | 459 | 3 | 8 |

| Dr. | | F. FRANKLIN | | | | | Cr. | | |
|---------|--------------------|-------------|----|----|---------|--------------------|------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 23 | To Cash | 206 | 9 | 6 | Jan. 1 | By Balance . . . | 217 | 6 | 10 |
| " 23 | " Discount | 10 | 17 | 4 | " 21 | " Purchases . . . | 275 | 10 | 6 |
| " 24 | " Returns | 10 | 12 | 8 | | | | | |
| " 31 | " Balance c/d . . | 264 | 17 | 10 | | | | | |
| | | £492 | 17 | 4 | | | £492 | 17 | 4 |
| | | | | | Jan. 31 | By Balance b/d . . | 264 | 17 | 10 |

| Dr. | | GENERAL LEDGER ADJUSTMENT ACCOUNT | | | | | | Cr. | |
|---------|--------------------|-----------------------------------|----|----|---------|---------------------|---------------|-----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 1 | To Ledger Balances | 606 | 12 | 7 | Jan. 31 | By Cash and Disc.. | 478 | 15 | 9 |
| " 31 | " Purchases . . | 1,563 | 7 | 11 | " 31 | " Returns O/wards | 10 | 12 | 8 |
| | | | | | " 31 | " Bills Payable and | | | |
| | | | | | | Discount . . | 127 | 16 | 10 |
| | | | | | " 31 | " Balance c/d . . | 1,552 | 15 | 3 |
| | | <u>£2,170</u> | — | 6 | | | <u>£2,170</u> | — | 6 |
| Jan. 31 | To Balance b/d . . | 1,552 | 15 | 3 | | | | | |

EXERCISE IX—No. 14 (contd.)

SALES LEDGER

| <i>Dr.</i> | | | | A. ARTHUR | | | | <i>Cr.</i> | | | | |
|------------|---------------------|--|--|-----------|----|----|---------|-------------------|--|------|----|----|
| 19.. | | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Jan. 1 | To Balance . . . | | | 275 | 16 | 4 | Jan. 15 | By Cash | | 262 | — | 7 |
| " 4 | " Sales | | | 359 | 8 | 7 | " 15 | " Discount. . . . | | 13 | 15 | 9 |
| " 24 | " Bank | | | 155 | 7 | 6 | " 31 | " Balance c/d . . | | 514 | 16 | 1 |
| | (dishd. bill, etc.) | | | | | | | | | | | |
| | | | | £790 | 12 | 5 | | | | £790 | 12 | 5 |
| Jan. 31 | To Balance b/d . . | | | 514 | 16 | 1 | | | | | | |

| <i>Dr.</i> | | | | B. BROWN | | | | <i>Cr.</i> | | | |
|------------|--------------------|--|------|----------|----|---------|-------------------|------------|------|----|----|
| 19.. | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Jan. 1 | To Balance . . . | | 361 | 14 | 2 | Jan. 10 | By Cash | | 343 | 12 | 6 |
| " 13 | " Sales | | 246 | 10 | 2 | " 10 | " Discount. . . . | | 18 | 1 | 8 |
| | | | | | | " 15 | " Returns | | 17 | 16 | 2 |
| | | | | | | " 31 | " Balance c/d . . | | 228 | 14 | — |
| | | | £608 | 4 | 4 | | | | £608 | 4 | 4 |
| Jan. 31 | To Balance b/d . . | | 228 | 14 | — | | | | | | |

| Dr. | | | | F. FLOWER | | | | Cr. | | | |
|---------|--------------------|-------------|----------|-----------|---------|-------------------|-------------|----------|----------|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Jan. 1 | To Balance . . . | 250 | 12 | 2 | Jan. 15 | By Cash | 238 | 1 | 7 | | |
| " 18 | " Sales | 209 | 12 | 4 | " 15 | " Discount . . . | 12 | 10 | 7 | | |
| | | | | | " 31 | " Balance c/d . . | 209 | 12 | 4 | | |
| | | <u>£460</u> | <u>4</u> | <u>6</u> | | | <u>£460</u> | <u>4</u> | <u>6</u> | | |
| Jan. 31 | To Balance b/d . . | 209 | 12 | 4 | | | | | | | |

| <i>Dr.</i> | | | C. COOK | | | <i>Cr.</i> | | | |
|------------|--------------------|---------------|----------|----------|---------|-------------------|---------------|----------|----------|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 1 | To Balance . . . | 873 | 5 | 11 | Jan. 22 | By Cash | 829 | 12 | 7 |
| " 27 | " Sales | 316 | 15 | 8 | " 22 | " Discount . . . | 43 | 13 | 4 |
| | | | | | " 31 | " Balance c/d . . | 316 | 15 | 8 |
| | | <u>£1,190</u> | <u>1</u> | <u>7</u> | | | <u>£1,190</u> | <u>1</u> | <u>7</u> |
| Jan. 31 | To Balance b/d . . | 316 | 15 | 8 | | | | | |

| <i>Dr.</i> | | GENERAL LEDGER ADJUSTMENT ACCOUNT | | | | | | <i>Cr.</i> | | |
|------------|---------------------|-----------------------------------|----------|-----------|---------|--------------------|---------------|------------|-----------|--|
| | | £ | s. | d. | | | £ | s. | d. | |
| 19.. | | | | | 19.. | | | | | |
| Jan. 31 | To Returns | 17 | 16 | 2 | Jan. 1 | By Ledger Balances | 1,761 | 8 | 7 | |
| " 31 | " Cash and Disc. | 1,523 | 7 | — | " 24 | " Bills Receivable | 155 | 7 | 6 | |
| " 31 | " Bills Receivable. | 238 | 1 | 7 | " 31 | " Sales | 1,132 | 6 | 9 | |
| " 31 | " Balance c/d . . . | 1,269 | 18 | 1 | | | | | | |
| | | <u>£3,049</u> | <u>2</u> | <u>10</u> | | | <u>£3,049</u> | <u>2</u> | <u>10</u> | |
| | | | | | Jan. 31 | By Balance b/d . . | 1,269 | 18 | 1 | |

EXERCISE IX—No. 14 (*contd.*).

GENERAL LEDGER

| Dr. | | SALES ACCOUNT | | | | Cr. | | |
|-----|--|---------------|--|--|-----------------|------------------|-------|-------|
| | | | | | 19.. Jan. 31 | By Cash | £ 27 | s. 13 |
| | | | | | " 31 | " Sundries . . . | 1,132 | 6 9 |

| Dr. | | PURCHASES ACCOUNT | | | | Cr. | | |
|-----------------|------------------|-------------------|-------|------|--|-----|--|--|
| 19.. Jan. 31 | To Cash | £ 24 | s. 15 | d. 2 | | | | |
| " 31 | " Sundries . . . | 1,563 | 7 | 11 | | | | |

| Dr. | | BILLS RECEIVABLE ACCOUNT | | | | Cr. | | |
|----------------|--------------------|--------------------------|------|------|-----------------|-------------------|-------|------|
| 19.. Jan. 1 | To Balance . . . | £ 375 | s. — | d. — | 19.. Jan. 16 | By Bank | £ 120 | s. — |
| " 15 | " F. Flower . . . | 238 | 1 | 7 | " 23 | " " | 155 | — |
| | | | | | " 26 | " " | 100 | — |
| | | | | | " 31 | " Balance c/d . . | 234 | 1 7 |
| | | £ 613 | 1 | 7 | | | £ 613 | 1 7 |
| Jan. 31 | To Balance b/d . . | 238 | 1 | 7 | | | | |

| Dr. | | BILLS PAYABLE ACCOUNT | | | | Cr. | | |
|-----------------|-------------------|-----------------------|------|------|----------------|--------------------|-------|------|
| 19.. Jan. 15 | To Bank | £ 270 | s. — | d. — | 19.. Jan. 1 | By Balance . . . | £ 420 | s. — |
| " 19 | " " | 150 | — | — | " 22 | " G. Garnet . . . | 121 | 9 — |
| " 31 | " Balance c/d . . | 121 | 9 | — | | | £ 541 | 9 — |
| | | £ 541 | 9 | — | | | | |
| | | | | | Jan. 31 | By Balance b/d . . | 121 | 9 — |

| Dr. | | STOCK ACCOUNT | | | | Cr. | | |
|----------------|------------------|---------------|------|------|--|-----|--|--|
| 19.. Jan. 1 | To Balance . . . | £ 1,000 | s. — | d. — | | | | |

| Dr. | | SALARIES ACCOUNT | | | | Cr. | | |
|-----------------|-----------------|------------------|-------|------|--|-----|--|--|
| 19.. Jan. 31 | To Cash | £ 42 | s. 10 | d. 8 | | | | |

| Dr. | | WAGES ACCOUNT | | | | Cr. | | |
|----------------|-----------------|---------------|-------|------|--|-----|--|--|
| 19.. Jan. 4 | To Cash | £ 27 | s. 13 | d. 6 | | | | |
| " 11 | " " | 31 | 14 | 8 | | | | |
| " 18 | " " | 42 | 16 | 9 | | | | |
| " 25 | " " | 30 | 6 | 10 | | | | |

EXERCISE IX—No 14 (*contd.*).

| <i>Dr.</i> | | PETTY EXPENSES ACCOUNT | | | | | | <i>Cr.</i> | |
|-----------------|-----------------|------------------------|----|----|--|--|--|------------|--|
| 19.. Jan. 31 | To Cash | £ | s. | d. | | | | | |
| | | 17 | 4 | 11 | | | | | |

| <i>Dr.</i> | | RENT, RATES, AND TAXES ACCOUNT | | | | | | <i>Cr.</i> | |
|-----------------|-----------------|--------------------------------|----|----|--|--|--|------------|--|
| 19.. Jan. 31 | To Cash | £ | s. | d. | | | | | |
| | | 27 | 19 | 6 | | | | | |

| <i>Dr.</i> | | DISCOUNTS ALLOWED ACCOUNT | | | | | | <i>Cr.</i> | |
|-----------------|------------------|---------------------------|----|----|--|--|--|------------|--|
| 19.. Jan. 15 | To F. Flower . . | £ | s. | d. | | | | | |
| " 31 | " Sundries . . | 75 | 10 | 7 | | | | | |
| | | | 10 | 9 | | | | | |

| <i>Dr.</i> | | DISCOUNTS RECEIVED ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|--|----------------------------|--|--|-----------------|------------------|----|------------|----|
| | | | | | 19.. Jan. 22 | By G. Garnet . . | £ | s. | d. |
| | | | | | " 31 | " Sundries . . | 23 | 18 | 10 |
| | | | | | | | | | 9 |

| <i>Dr.</i> | | RETURNS INWARDS ACCOUNT | | | | | | <i>Cr.</i> | |
|-----------------|-----------------|-------------------------|----|----|--|--|--|------------|--|
| 19.. Jan. 15 | To B. Brown . . | £ | s. | d. | | | | | |
| | | 17 | 16 | 2 | | | | | |

| <i>Dr.</i> | | RETURNS OUTWARDS ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|--|--------------------------|--|--|-----------------|--------------------|----|------------|----|
| | | | | | 19.. Jan. 24 | By F. Franklin . . | £ | s. | d. |
| | | | | | | | 10 | 12 | 8 |

| <i>Dr.</i> | | FURNITURE ACCOUNT | | | | | | <i>Cr.</i> | |
|----------------|------------------|-------------------|----|----|--|--|--|------------|--|
| 19.. Jan. 1 | To Balance . . . | £ | s. | d. | | | | | |
| | | 200 | - | - | | | | | |

| <i>Dr.</i> | | PLANT AND MACHINERY ACCOUNT | | | | | | <i>Cr.</i> | |
|----------------|------------------|-----------------------------|----|----|--|--|--|------------|--|
| 19.. Jan. 1 | To Balance . . . | £ | s. | d. | | | | | |
| | | 1,700 | - | - | | | | | |

| <i>Dr.</i> | | CAPITAL ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|--|-----------------|--|--|----------------|------------------|-------|------------|----|
| | | | | | 19.. Jan. 1 | By Balance . . . | £ | s. | d. |
| | | | | | | | 4,929 | 16 | - |

EXERCISE IX—No. 14 (*contd.*).

| Dr. | | | | DRAWINGS ACCOUNT | | | | Cr. | | | |
|---------|-----------------|--|--|------------------|----|----|--|-----|--|--|--|
| 19.. | | | | £ | s. | d. | | | | | |
| Jan. 27 | To Cash | | | 50 | — | — | | | | | |

| Dr. | | | | BOUGHT LEDGER ADJUSTMENT ACCOUNT | | | | Cr. | | | |
|---------|---------------------|--------|----|----------------------------------|---------|--------------------|--------|-----|----|--|--|
| 19.. | | | | £ | s. | d. | 19.. | | | | |
| Jan. 31 | To Cash and Disct.. | 478 | 15 | 9 | Jan. 1 | By Ledger Balances | 606 | 12 | 7 | | |
| " 31 | " Returns O/wards | 10 | 12 | 8 | " 31 | " Purchases . . | 1,563 | 7 | 11 | | |
| " 31 | " Bills Payable | | | | | | | | | | |
| | and Discount . | 127 | 16 | 10 | | | | | | | |
| " 31 | " Balance c/d . . | 1,552 | 15 | 3 | | | | | | | |
| | | £2,170 | — | 6 | | | £2,170 | — | 6 | | |
| | | | | | Jan. 31 | By Balance b/d . . | 1,552 | 15 | 3 | | |

| Dr. | | | | SALES LEDGER ADJUSTMENT ACCOUNT | | | | Cr. | | | |
|---------|---------------------|--------|----|---------------------------------|---------|--------------------|--------|-----|----|--|--|
| 19.. | | | | £ | s. | d. | 19.. | | | | |
| Jan. 1 | To Ledger Balances | 1,761 | 8 | 7 | Jan. 31 | By Returns I/wards | 17 | 16 | 2 | | |
| " 31 | " Sales | 1,132 | 6 | 9 | " 31 | " Cash and Disct.. | 1,523 | 7 | — | | |
| " 31 | " Bills Receivable. | 155 | 7 | 6 | " 31 | " Bills Receivable | 238 | 1 | 7 | | |
| | (dishonoured) | | | | " 31 | " Balance c/d . . | 1,269 | 18 | 1 | | |
| | | £3,049 | 2 | 10 | | | £3,049 | 2 | 10 | | |
| Jan. 31 | To Balance b/d . . | 1,269 | 18 | 1 | | | | | | | |

GENERAL LEDGER TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|----------------------------------|--------|----|----|--------|----|----|
| Cash | 50 | — | — | | | |
| Bank | 1,382 | 12 | 7 | | | |
| Stock | 1,000 | — | — | | | |
| Sales Ledger Adjustment Account | 1,269 | 18 | 1 | | | |
| Bills Receivable | 238 | 1 | 7 | | | |
| Drawings Account | 50 | — | — | | | |
| Wages | 132 | 11 | 9 | | | |
| Salaries | 42 | 10 | 8 | | | |
| Petty Expenses | 17 | 4 | 11 | | | |
| Rent, Rates, and Taxes | 27 | 19 | 6 | | | |
| Purchases | 1,588 | 3 | 1 | | | |
| Returns Inwards | 17 | 16 | 2 | | | |
| Discounts Allowed | 88 | 1 | 4 | | | |
| Furniture Account | 200 | — | — | | | |
| Plant and Machinery | 1,700 | — | — | | | |
| Capital Account | | | | 4,929 | 16 | — |
| Bought Ledger Adjustment Account | | | | 1,552 | 15 | 3 |
| Sales | | | | 1,160 | — | 2 |
| Returns Outwards | | | | 10 | 12 | 8 |
| Discounts Received | | | | 30 | 6 | 7 |
| Bills Payable | | | | 121 | 9 | — |
| | £7,804 | 19 | 8 | £7,804 | 19 | 8 |

EXERCISE IX—No. 17.

| <i>Dr.</i> | | | | JOINT ACCOUNT OF ADAM & BELL | | | | <i>Cr.</i> | | | |
|------------|--------------------------------------|--------|-------|------------------------------|---------|--------|-------|------------|--|--|--|
| 19.. | | £ | s. d. | 19.. | | £ | s. d. | | | | |
| June 25 | To Adams | 1,600 | — | July 10 | By Bell | 892 | 10 | | | | |
| " 25 | " Bell | 1,350 | — | " 17 | " Adams | 630 | — | | | | |
| " 25 | " Adams (Exs.) | 25 | — | " 29 | " Bell | 819 | — | | | | |
| " 25 | " Bell (Exs.) | 10 | — | Aug. 5 | " Bell | 756 | — | | | | |
| " 25 | " Adams (Com.) | 31 | 10 | Sept. 30 | " Adams | 400 | — | | | | |
| " 25 | " Adams (Exs.) | 7 | 16 | | | | | | | | |
| July 10 | " Bell (Com.) | 44 | 12 6 | | | | | | | | |
| " 29 | " Bell (Exs.) | 40 | 19 | | | | | | | | |
| Aug. 5 | " Bell (Com.) | 37 | 16 | | | | | | | | |
| Sept. 30 | " Adams (Com.) | 20 | — | | | | | | | | |
| " 30 | " Profit (£164/18/3 to each partner) | 329 | 16 6 | | | | | | | | |
| | | £3,497 | 10 | | | £3,497 | 10 | | | | |

| <i>Dr.</i> | | | | JOINT ACCOUNT IN ADAM'S BOOKS | | | | <i>Cr.</i> | | | |
|------------|-------------|--------|-------|-------------------------------|-------------------|--------|-------|------------|--|--|--|
| 19.. | | £ | s. d. | 19.. | | £ | s. d. | | | | |
| July 17 | To Pictures | 630 | — | June 25 | By Pictures | 1,600 | — | | | | |
| Sept. 30 | " Pictures | 400 | — | " 25 | " Cash (Exs.) | 32 | 16 | | | | |
| Oct. 5 | " Bell | 819 | 4 3 | July 17 | " Commission | 31 | 10 | | | | |
| | | | | Sept. 30 | " Commission | 20 | — | | | | |
| | | | | " 30 | " Share of Profit | 164 | 18 3 | | | | |
| | | £1,849 | 4 3 | | | £1,849 | 4 3 | | | | |

(The Joint Account in Bell's books is appended, but *only* to show how the clearance of the venture is affected.)

| <i>Dr.</i> | | | | JOINT VENTURE IN BELL'S BOOKS | | | | <i>Cr.</i> | | | |
|------------|-------------|--------|-------|-------------------------------|-------------------|--------|-------|------------|--|--|--|
| 19.. | | £ | s. d. | 19.. | | £ | s. d. | | | | |
| July 10 | To Pictures | 892 | 10 | June 25 | By Pictures | 1,350 | — | | | | |
| " 29 | " Pictures | 819 | — | " 25 | " Cash (Exs.) | 10 | — | | | | |
| Aug. 5 | " Pictures | 756 | — | July 10 | " Commission | 44 | 12 6 | | | | |
| | | | | " 29 | " Commission | 40 | 19 | | | | |
| | | | | Aug. 5 | " Commission | 37 | 16 | | | | |
| | | | | Sept. 30 | " Share of Profit | 164 | 18 3 | | | | |
| | | | | Oct. 5 | " Adams | 819 | 4 3 | | | | |
| | | £2,467 | 10 | | | £2,467 | 10 | | | | |

EXERCISE IX—No. 18

| <i>Dr.</i> | | LEASE ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|----------------------------------|---------------|----|----|---------|--------------------------|---------|----|----|
| 1934 | | £ | s. | d. | 1935 | | £ | s. | d. |
| Apr. 1 | To Cash | 13,200 | — | — | Mar. 31 | By Repairs | 88 | — | — |
| " 1 | " Costs of Acquisition | 220 | — | — | " 31 | " Depreciation | 1,280 | — | — |
| " 1 | " Alterations | 770 | — | — | " 31 | " Balance c/d | 12,820 | — | — |
| | | £14,190 | — | — | | | £14,190 | — | — |
| 1935 | | | | | | | | | |
| Mar. 31 | To Balance b/d | 12,820 | — | — | | | | | |

| <i>Dr.</i> | | | | MOTOR CAR ACCOUNT | | | | <i>Cr.</i> | | | | | |
|------------|--------------|---|---|-------------------|----|----|---------|----------------|---|----------------|------------------------|----|----|
| | | | | £ | s. | d. | | | | | £ | s. | d. |
| 1934 | | | | 170 | — | — | 1934 | | | | 120 | — | — |
| Apr. 1 | To Balance . | . | . | 300 | — | — | June 30 | By Creditor . | . | . | 8 | 10 | — |
| June 30 | „ Creditor . | . | . | | | | „ 30 | „ Depreciation | . | . | | | |
| | | | | | | | | | | (3 months@20%) | | | |
| | | | | | | | | | | | 1935 | | |
| | | | | | | | | | | | Mar. 31 | | |
| | | | | | | | | | | | „ P. & L. A/c (loss on | | |
| | | | | | | | | | | | sale) . | | |
| | | | | | | | | | | | 41 | | |
| | | | | | | | | | | | 10 | | |
| | | | | | | | | | | | „ Balance c/d . | | |
| | | | | | | | | | | | 800 | | |
| | | | | | | | | | | | — | | |
| | | | | | | | | | | | £470 | | |
| | | | | | | | | | | | — | | |
| | | | | | | | | | | | — | | |
| | | | | | | | | | | | 1935 | | |
| | | | | | | | | | | | Mar. 31 | | |
| | | | | | | | | | | | To Balance b/d . | | |
| | | | | | | | | | | | £300 | | |
| | | | | | | | | | | | — | | |

EXERCISE IX—No. 19.

| SALES LEDGER | | | | | | | | | |
|--------------|------------------------------|------------------------------------|----|----|------|----------------------------|---------|-----|----|
| Dr. | | PRIVATE LEDGER ADJUSTMENT ACCOUNT. | | | | | | Cr. | |
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| | To Returns | 625 | — | — | | By Balance | 4,031 | — | — |
| | " Cash | 31,125 | — | — | | " Sundry Debtors | 35,422 | — | — |
| | " Discounts | 1,314 | — | — | | | | | |
| | " Bills Receivable | 2,035 | — | — | | | | | |
| | " Bought Ledger. | 720 | — | — | | | | | |
| | " Bought Ledger. | 1,052 | — | — | | | | | |
| | " Balance c/d | 2,582 | — | — | | | | | |
| | | £39,453 | — | — | | | £39,453 | — | — |

| PRIVATE LEDGER | | | | | | | | | |
|----------------|------------------------------|---------------------------------|--------|----|------|------------------------------|--------|--------|----|
| Dr. | | SALES LEDGER ADJUSTMENT ACCOUNT | | | | | | Cr. | |
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| | To Balance | 4,031 | — | — | | By Returns | 625 | — | — |
| | „ Sales, as per S.B. | 35,422 | — | — | | „ Cash | 31,125 | — | — |
| | | | | | | „ Discounts | 1,314 | — | — |
| | | | | | | „ Bills Receivable | 2,035 | — | — |
| | | | | | | „ Bought Ledger | 720 | — | — |
| | | | | | | „ Bought Ledger | 1,052 | — | — |
| | | | | | | „ Balance c/d | 2,582 | — | — |
| | | £ | 39,453 | — | | | £ | 39,453 | — |

The balance represents the indebtedness of customers to the business.

EXERCISE IX—No. 20 (*contd.*).

CAPITAL ACCOUNT

| <i>Dr.</i> | | | | | BROWN | | | | | <i>Cr.</i> | | | | |
|------------|------------------------|---------------|----------|----------|-------|--------------------------------|---------------|----------|----------|------------|--|--|--|--|
| 19.. | To Joint Venture . . . | £ | s. | d. | 19.. | By Cash | £ | s. | d. | | | | | |
| | „ Cash | 962 | 5 | 10 | | „ Interest | 7,450 | — | — | | | | | |
| | | 6,673 | 19 | 2 | | „ (charged against venture) | 188 | 5 | — | | | | | |
| | | <u>£7,636</u> | <u>5</u> | <u>—</u> | | | <u>£7,636</u> | <u>5</u> | <u>—</u> | | | | | |

Robinson's share of loss equals $\frac{173}{480}$ of £3,100.Jones's " " $\frac{158}{480}$ "Brown's " " $\frac{149}{480}$ "

CASH BOOK

| Dr. | | CASH BOOK | | | | Cr. | | | |
|------|----------------------|-----------|----|----|------|----------------------|----------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| | To Capital Accounts— | | | | | By Joint Account . . | 24,000 | — | — |
| | Robinson | 8,650 | — | — | | (purchases of pig | | | |
| | Jones | 7,900 | — | — | | iron) | | | |
| | Brown | 7,450 | — | — | | „ Capital Accounts— | | | |
| | „ Joint Venture . . | 21,500 | — | — | | Robinson | 7,748 | 19 | 2 |
| | (Proceeds of sale of | | | | | Jones | 7,077 | 1 | 8 |
| | pig iron) | | | | | Brown | 6,673 | 19 | 2 |
| | | £ 45,500 | — | — | | | £ 45,500 | — | — |

EXERCISE IX—No. 21.

Fixed Assets are those acquired for the purpose of earning, or giving facility for earning, income.

Floating Assets are those acquired by trading and the subject of trading.

FIXED.
Plant and Machinery
Freehold Land
Patents

FLOATING.
Book Debts
Stock-in-Trade
Consols, £200
Bills Receivable
Goodwill

EXERCISE IX—No. 22.

A *Trial Balance* is a list of ALL Ledger account balances extracted with the object of proving the arithmetical accuracy of the postings.

A *Balance Sheet* is a statement of Ledger account balances remaining after the preparation of the Trading and Profit and Loss Accounts and their relative accounts balanced by transfer.

The error of posting a debit balance of a Personal Account to Revenue Account will not affect the Trial Balance as regards proving arithmetical accuracy.

The Balance Sheet will show the Capital Account wrongly adjusted, as the item in question would have been transferred to Profit and Loss, instead of appearing as an Asset.

EXERCISE IX—No. 23.

COLLIERY COMPANY'S BOOKS

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|--------|-----------------------------------|------|----|----|------|----|----|
| 19.. | R. Scott | £ | 3 | 17 | 6 | | |
| July 1 | To Commission | | | | | 1 | 14 |
| | 1% of £172/5/- | | | | | | 5 |
| | To Discount | | | | | 2 | 3 |
| | 5% of £172/5/- for 3 mos. | | | | | | 1 |
| „ 1 | Bills Receivable | 176 | 2 | 6 | | | |
| | To R. Scott | | | | 176 | 2 | 6 |
| | Bill drawn @ 3 mos. | | | | | | |
| | | £180 | - | - | £180 | - | - |

EXERCISE IX—No. 23 (*contd.*).

SALES BOOK

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|--|-----|----|----|------|----|----|
| July 1 | R. Scott— | | | | | | |
| | 520 tons Silkstone Coal @ 12/6 per ton | 325 | - | - | | | |
| | Wagon Hire (520 tons @ 9d. per ton) | 19 | 10 | - | 344 | 10 | - |
| | <i>Total of Invoice</i> | | | | £344 | 10 | - |

CASH BOOK

(Debit Side)

| 19.. | | £ | s. | d. |
|--------|--|-----|----|----|
| July 1 | To R. Scott ($\frac{1}{2}$ of value of Invoice) | 172 | 5 | - |

LEDGER

| <i>Dr.</i> | | | | R. SCOTT | | | | <i>Cr.</i> | | | | | |
|------------|---|--------------|---|-------------|----------|----------|------|------------|--------------------|---|-------------|----------|----------|
| 19.. | | | | £ | s. | d. | 19.. | | | | £ | s. | d. |
| July | 1 | To Sales | . | 344 | 10 | - | July | 1 | By Cash | . | 172 | 5 | - |
| " | 1 | " Commission | . | 1 | 14 | 5 | " | 1 | " Bills Receivable | . | 176 | 2 | 6 |
| " | 1 | " Discount | . | 2 | 3 | 1 | | | | | | | |
| | | | | <u>£348</u> | <u>7</u> | <u>6</u> | | | | | <u>£348</u> | <u>7</u> | <u>6</u> |

Note.—It has been thought unnecessary to elaborate all the "single item" Ledger accounts.

EXERCISE IX—No. 24.

See *Advanced Accounts*, pages 37 (under "Profit and Loss Account") to 42 (inclusive).

EXERCISE IX—No. 25.

THE FLYAWAY BICYCLE CO.

Dr.

TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|------------------------------|-------|----|----|----------|----|----|----------|----|----|
| To <i>Stocks</i> (1st Jan.)— | | | | | | | | | |
| Raw Materials | 2,500 | — | — | | | | 105,000 | — | — |
| Finished Machines | 9,600 | — | — | | | | | | |
| | | | | | | | | | |
| By Sales of 10,000 Machines | | | | | | | | | |
| " <i>Stocks</i> (31st Dec.)— | | | | | | | | | |
| Raw Materials | | | | 12,100 | — | — | 2,200 | | |
| Finished Machines (460) | | | | 12,500 | — | — | 3,680 | | |
| | | | | 16,500 | — | — | | | |
| Purchases | | | | 4,600 | — | — | | | |
| " Productive Wages | | | | 65,180 | — | — | | | |
| " Manufacturing Expenses | | | | | | | | | |
| " Balance, Gross Profit c/d | | | | £110,880 | — | — | 5,880 | — | — |
| | | | | | | | £110,880 | — | — |

Dr.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | £ | s. | d. |
|---------------------------|---------|----|----|---------|----|----|
| To Sundry Branch Expenses | | | | | | |
| " Travellers' Salaries | 8,000 | — | — | | | |
| " Agents' Commissions | 3,000 | — | — | | | |
| " Bad Debts | 1,800 | — | — | | | |
| " <i>Depreciation</i> — | 1,650 | — | — | | | |
| Plant and Machinery | 1,250 | — | — | | | |
| " Balance, Net Profit | 49,480 | — | — | | | |
| | £65,180 | — | — | | | |
| | | | | £65,180 | — | — |
| By Trading Account. | | | | | | |
| | | | | | | |

EXERCISE IX—No. 26.

I. IRON'S LEDGER

| Dr. | | S. STEEL | | | Cr. | | | | |
|----------------|------------------------|----------|----------|---------|----------------|---------------|----------|----------|---------|
| 19.. Mar. 1 | To Bills Payable . . . | £ 126 | s. 10 | d. 6 | 19.. June 4 | By Cash . . . | £ 126 | s. 10 | d. 6 |

| <i>Dr.</i> | | BILLS PAYABLE ACCOUNT | | | | | | <i>Cr.</i> | | |
|----------------|---------------|-----------------------|----------|---------|----------------|-------------------|----------|------------|---------|--|
| 19.. June 4 | To Cash . . . | £ 126 | s. 10 | d. 6 | 19.. Mar. 1 | By S. Steel . . . | £ 126 | s. 10 | d. 6 | |

| CASH ACCOUNT (Bank Column) | | | | | | | | | |
|-------------------------------|-------------------|-----|----|----|----------------|------------------------|-----|----|----|
| Dr. | | | | | Cr. | | | | |
| 19.. June 4 | To S. Steel . . . | £ | s. | d. | 19.. June 4 | By Bills Payable . . . | £ | s. | d. |
| | | 126 | 10 | 6 | | | 126 | 10 | 6 |

S. STEEL'S LEDGER

| <i>Dr.</i> | | I. IRON | | | <i>Cr.</i> | | | | |
|----------------|---------------|----------|----------|---------|----------------|---------------------------|----------|----------|---------|
| 19.. June 4 | To Cash . . . | £ 126 | s. 10 | d. 6 | 19.. Mar. 1 | By Bills Receivable . . . | £ 126 | s. 10 | d. 6 |

| <i>Dr.</i> | | BILLS RECEIVABLE ACCOUNT | | | | <i>Cr.</i> | | | |
|----------------|------------------|--------------------------|----------|---------|----------------|---------------|----------|----------|---------|
| 19.. Mar. 1 | To I. Iron . . . | £ 126 | s. 10 | d. 6 | 19.. Mar. 1 | By Cash . . . | £ 126 | s. 10 | d. 6 |

| CASH ACCOUNT | | | | | | | | | |
|---------------|---------------------|-----|----|----|--------|----------------------|-----|----|----|
| Dr. | | | | | Cr. | | | | |
| (Bank Column) | | | | | | | | | |
| 19.. | | | | | 19.. | | | | |
| Mar. 1 | To Bills Receivable | £ | s. | d. | Mar. 1 | By Bankers' Discount | £ | s. | d. |
| | | 126 | 10 | 6 | June 4 | " I. Iron | 126 | 10 | 6 |

| Dr. | | BANKERS' DISCOUNT ACCOUNT | | | | | Cr. | |
|----------------|---------------|---------------------------|---------|---------|--|--|-----|--|
| 19.. Mar. 1 | To Cash . . . | £ 1 | s. 2 | d. 2 | | | | |

EXERCISE IX—No. 27 (contd.).

(ALTERNATIVE FORM)

The second form of Balance Sheet differs only in the statement of the Partners' Capitals, which accounts are appended.

| LIABILITIES. | | | | LIABILITIES. | | | |
|-----------------------------|----------|-----------|-----------|-----------------------------|----------|-----------|-----------|
| <i>A. Alloth—</i> | <i>£</i> | <i>s.</i> | <i>d.</i> | <i>J. Jones—</i> | <i>£</i> | <i>s.</i> | <i>d.</i> |
| Balance, 1st Jan. | 3,440 | — | — | Balance, 1st Jan. | 3,440 | — | — |
| Add Interest | 1,172 | — | — | Add Interest | 1,172 | — | — |
| " Share of Profit | 1,025 | — | — | " Share of Profit | 1,025 | — | — |
| Less Drawings | 4,637 | — | — | Less Drawings | 4,637 | — | — |
| | 500 | — | — | | 500 | — | — |
| | 4,137 | — | — | | 4,137 | — | — |

EXERCISE IX—No. 28. G. GREGORY IN ACCOUNT CURRENT WITH N. NORTON

| Date. | Particulars. | Due Date. | Days. | Pro-ducts. | Amount. | Date. | Particulars. | Due Date. | Days. | Pro-ducts. | Amount. |
|---------|-----------------------|-----------|-------|------------|---------|--------------|-----------------------|-----------|-------|------------|---------|
| 19.. 1 | To Goods | Jan. 1 | 180 | £ 50,400 | £ 280 | 19.. Feb. 15 | By Cash | Feb. 15 | 135 | £ 13,500 | £ 100 |
| Mar. 3 | " Bills Pble. | Apr. 6 | 85 | 17,000 | — | Mar. 2 | " Goods | Mar. 2 | 120 | 82,800 | 690 |
| Apr. 11 | " Cash | " 11 | 80 | 16,000 | 200 | May 11 | " Goods | May 11 | 50 | 8,500 | 170 |
| " 30 | " Goods | May 31 | 30 | 6,960 | 232 | June 15 | " Goods | July 31 | 31 | 8,990 | 290 |
| May 31 | " Goods | " 31 | 30 | 7,500 | 250 | " Bal. of | " Bal. of | | | 2,050 | |
| June 30 | " Red Ink | " | | 8,990 | — | Products | Products | | | | |
| | Int. as | | | | | | | | | | |
| | <i>per contra</i> | | | | | | | | | | |
| " 30 | " Interest | | | 106,850 | 5 7 | | | | | 106,850 | |
| " 30 | " Bal. c/d | | | | 87 14 5 | June 30 | By Bal. b/d | | | | £1,250 |
| | | | | | £1,250 | | | | | | 87 14 5 |

I. WALTERS & B. DOVE

BALANCE SHEET AS AT 30TH JUNE, 19..

246

EXERCISE X—No. 1.

This question is fully answered in *Advanced Accounts* (page 327 onwards).

EXERCISE X—No. 2.

THE CHILWORTH LITERARY SOCIETY

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31ST DECEMBER, 19..

Dr.

| EXPENDITURE. | | £ | s. | d. | £ | s. | d. |
|---|--|----|----|----|------|----|----|
| To Rent for use of Hall | | 21 | — | — | | | |
| Add amount owing | | 8 | — | — | | | |
| Petty Expenses | | | | | 29 | — | — |
| Advertising | | | | | 10 | — | — |
| Printing | | 12 | 10 | — | 21 | — | — |
| Add amount owing | | 9 | 10 | — | | | |
| Balance (surplus of income over expenditure for the year) | | | | | 22 | — | — |
| | | | | | 298 | — | — |
| | | | | | £380 | — | — |

Cr.

| INCOME. | | £ | s. | d. | £ | s. | d. |
|---|--|---|----|----|------|----|----|
| By Subscriptions | | | | | 110 | — | — |
| Net Receipts from Lectures and Concerts | | | | | 232 | — | — |
| Interest on Investments | | | | | 38 | — | — |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | £380 | — | — |

BALANCE SHEET, AS AT 31ST DECEMBER, 19..

| | LIABILITIES. | | | ASSETS. | | |
|--|--------------|----|---|--------------------------------|-----------------------|-------|
| <i>Outstanding Expenses—</i> | | | | Cash | £ | s. d. |
| Rent of Hall | 8 | — | — | Debentures, (10 £100 Bonds) | 315 10 — 1,000 — — | — — — |
| Printing | 9 | 10 | — | | | |
| <i>Capital Account—</i> | | | | | | |
| Balance—1st Jan. | 1,000 | — | — | | | |
| Add Surplus of Income and Ex- penditure Account | 298 | — | — | | | |
| | | | | | £1,315 10 — | — — — |

CASH ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19..

| Jan-Dec. | To Subscriptions | £ | s. | d. | Jan-Dec. | By Rent | £ | s. | d. |
|----------|---|-----|----|----|----------|-----------------------------------|------|----|----|
| | " Receipts from Lectures and Concerts | 110 | — | — | | " Petty Expenses | 21 | — | — |
| | " Interest on Investments | 232 | — | — | | " Advertising | 10 | — | — |
| | | 38 | — | — | | " Printing | 21 | — | — |
| | | | | | | " Balance $\frac{1}{2}$ | 12 | 10 | — |
| | | | | | | " Balance $\frac{1}{2}$ | 315 | 10 | — |
| | | | | | | | £380 | — | — |
| | | | | | | | 315 | 10 | — |
| Dec. 31 | To Balance b/d | | | | | | | | |

EXERCISE X—No. 3.

THE CARLTON CLUB

Dr. INCOME AND EXPENDITURE ACCOUNT, FOR THE YEAR ENDED 31ST DECEMBER, 19. *Cr.*

| EXPENDITURE. | | INCOME. | |
|---------------------------------------|-------|-------------------|-------|
| £ | s. d. | £ | s. d. |
| To Rent, Rates, and Taxes due | . | By Subscriptions. | . |
| " Fuel and Gas | 50 | <i>Receipts</i> — | . |
| " Cartmaker's Wages | 40 | Billiard Room. | . |
| " Printing and Stationery | 68 | Refreshment Room. | 60 |
| " Repairs | 30 | Sundry Hiring. | 100 |
| " Salaries | 12 | | 20 |
| " Balance (surplus of Income over Ex- | 100 | | 180 |
| penditure) | 130 | " Donations | 50 |
| | £430 | | £430 |

EXERCISE X—No. 4.

"GREEN LANES" GOLF CLUB

REVENUE ACCOUNT, FOR THE YEAR ENDED 31ST DECEMBER, 19..

| | £ | s. | d. | £ | s. | d. |
|--|---|----|----|--------|----|----|
| To Club Manager's Salary | • | • | • | 250 | • | • |
| Greenkeeper's Wages | • | • | • | 150 | • | • |
| Rent | • | • | • | 550 | • | • |
| Interest on Loan | • | • | • | 36 | • | • |
| Cost of Annual Dinner | • | • | • | 100 | • | • |
| Sundry Expenses | • | • | • | 53 | 8 | 1 |
| Taxes and Insurance | • | • | • | 72 | 13 | 8 |
| Servants' Wages | • | • | • | 58 | 15 | • |
| Fuel, Lighting, and Cleaning | • | • | • | 53 | 10 | 11 |
| Repairs (Plumbers' S.) | • | • | • | 7 | 3 | 4 |
| " " " " | • | • | • | 7 | 3 | 4 |
| " Printing and Stationery | • | • | • | 38 | 15 | 9 |
| " Depreciation— | • | • | • | • | • | • |
| Club Premises (3% of 9985/15/10) | • | • | • | 29 | 1 | 3 |
| Furniture (21% of 555/13/6) | • | • | • | 1 | 7 | 10 |
| Furnishings (15% of 255/10/2) | • | • | • | 3 | 16 | 6 |
| Balance (surplus of Income over Expenditure) | • | • | • | 334 | 15 | • |
| | | | | £1,743 | 19 | 11 |

EXERCISE X—No. 4 (contd.)

"GREEN LANES" GOLF CLUB

BALANCE SHEET AS AT 31ST DECEMBER, 19...

| LIABILITIES. | | ASSETS. | |
|---|---------|------------------------------------|-------------|
| £ | s. d. | £ | s. d. |
| Loan Account | | Cash | 27 10 8 |
| Reserve Fund (being transfer of half of surplus from Revenue Account) | | Bank | 95 5 8 |
| Capital Account— | | Cash on Deposit | 270 — |
| Transfer from Revenue Account | 483 — | Stocks— | |
| Add half of balance of Revenue | 167 7 6 | Provisions and Liquors | 286 14 9 |
| | | Furnishings | 21 13 8 |
| | | Furniture | 54 5 8 |
| | | Club Premises | 939 14 7 |
| | | Half-year's Grazing Rent | 22 10 — |
| | | | |
| | | | £1,717 15 — |

EXERCISE X—No. 5.

"BARTIMAEUS" HOME FOR THE BLIND

Dr. INCOME AND EXPENDITURE ACCOUNT, FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| Dr. | £ | s. d. | £ | s. d. | Cr. | £ | s. d. |
|--|-------|-------|---|-------|---------|--------|-------|
| To Servants' Wages | 286 | 4 2 | By Grants Received from Education Dept. | | | 386 | 12 6 |
| " School Expenses | 157 | 13 8 | " General Donations | | | 100 — | — |
| " Coal, Gas, and Water | 274 | 18 9 | " Greengrocery Endowment (Income) | | | 94 5 — | — |
| " Clothing | 426 | 16 6 | " Unannounced Payments | | | 340 | 10 6 |
| " Printing, Stationery, and Advertising | 106 | 12 4 | " Proceeds of Concerts | | | 752 | 14 4 |
| " General Charges | 117 | 11 10 | " Income from Collections | | | 142 | 9 9 |
| " Provisions | 1,046 | 5 7 | " Bank Interest | | | 207 | 16 3 |
| " Repairs and Maintenance | 306 | 10 5 | " Income from Investments | | | 54 2 8 | — |
| " Salaries of Head Officials | 1,072 | 4 6 | " Profits on Manufacturing and Trading Departments— | | | 3,050 | 10 10 |
| " Legal and Accountancy Fees | 21 | 8 3 | Brushes | | 58 15 3 | | |
| " Rates, Taxes, and Insurance | 156 | 3 9 | Baskets | | 29 10 2 | | |
| " Workshop | 54 | 4 8 | Mats | | 34 16 8 | | |
| " Upholstery | 10 | 15 6 | | | | | |
| " Grants to Ex-pupils | 65 | — 2 | | | | | |
| " Drainage | 542 | 10 6 | | | | | |
| " (Loss 375/12/3 written off) | 125 | 4 1 | | | | | |
| " Balance (surplus of income over Expenditure) | 517 | 9 5 | | | | | |
| | | | | | | £5,222 | 3 11 |

Note.—The "Greengrocery" Endowment Fund Capital and Income Accounts are fully worked in *Advanced Accounts*, pages 334 and 335.

KREEK FFYNCH NURSING HOME

INCOME AND EXPENDITURE ACCOUNT, FOR THE YEAR ENDED 31ST DECEMBER, 19..

BALANCE SHEET AS AT 31ST DECEMBER, 19..

252

EXERCISE X—No. 8.

Dr. LEDGER OF MESSRS. TUDOR & MANN, LTD. Cr.

| | | £ | s. d. | | | £ | s. d. |
|----------|-----------------------------|------|-------|---------|------------------------|------|-------|
| 1938 | | | | 1938 | | | |
| Sept. 30 | To J. Smith. . . . | 165 | 10 - | Nov. 16 | By Cash | 55 | 3 4 |
| " 30 | " K. Brown | 18 | 5 - | Dec. 9 | " " | 18 | 3 |
| 1939 | | | | " 30 | " " | 8 | - |
| Mar. 31 | " O. Robinson | 43 | 3 10 | 1939 | | | |
| " 31 | " N. White | 102 | 5 4 | Mar. 31 | Balance b/d | 265 | 2 7 |
| | | £329 | 4 2 | | | £329 | 4 2 |
| 1939 | | £ | s. d. | 1939 | | £ | s. d. |
| Mar. 31 | To Balance | 265 | 2 7 | Mar. 31 | By Profit and Loss A/c | 376 | - 7 |
| " 31 | " Bad Debts Reserve | 110 | 18 - | | | £376 | - 7 |
| | | £376 | - 7 | | | | |

Dr. PROFIT AND LOSS ACCOUNT Cr.

| | | £ | s. d. | | | | |
|---------|----------------------|-----|-------|--|--|--|--|
| 1939 | | | | | | | |
| Mar. 31 | To Bad Debts | 376 | - 7 | | | | |

| | | |
|--|-----------|----------|
| (a) Reserve 1938 was | £221 10 - | |
| + 2½ per cent of £1,639 10s. less £221 10s. | 402 14 - | £624 4 - |
| Reserve 1939 was | £492 10 - | |
| + 2½ per cent of £10,196 10s. less £492 10s. | 242 12 - | £735 2 - |
| Additional charge to Bad Debts Account | £110 18 - | |

EXERCISE X—No. 9.

This is as Example on pages 328-330 (inclusive) of *Advanced Accounts*, except that No. 9 is double the figures employed in the Example.

EXERCISE X—No. 10.

SLEETHORPE PROGRESSIVE CLUB

Dr.

INCOME AND EXPENDITURE ACCOUNT, FOR THE YEAR ENDED 31ST DECEMBER, 19..:

Cy.

| | £ | s. | d. | £ | s. | d. |
|--|-----|----|----|---------------|----------|----------|
| To Printing and Stationery | | | | 127 | 13 | 8 |
| " Repairs | | | | 175 | 10 | 2 |
| " Salary of Secretary | | | | 129 | 13 | 6 |
| " Servants' Wages | | | | 372 | 13 | 6 |
| " Rent | | | | 250 | | |
| " Rates and Taxes | | | | 28 | 10 | 6 |
| " Fuel, Lighting, Cleaning, and Washing | | | | 257 | 13 | 7 |
| " Legal Expenses | | | | 6 | 6 | — |
| " Expenses of Social | | | | 20 | 10 | 10 |
| " Depreciation— Furniture and Fixtures | 47 | 11 | 7 | | | |
| " Alterations and Improvements to Premises | 120 | — | — | 167 | 11 | 7 |
| " Balance, surplus of Income over Ex- penditure | | | | 230 | 18 | 7 |
| | | | | <u>£1,807</u> | <u>8</u> | <u>5</u> |

BALANCE SHEET AS AT 31ST DECEMBER, 19..

[illegible]

EXERCISE X—No. 11.

The criticisms are set out in the Answers to Exercises at the end of *Advanced Accounts*.

EXERCISE X—No. 12.

LUMLEY AVIATION CLUB

| INCOME AND EXPENDITURE ACCOUNT, FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | Cr. |
|--|---------------|----------|----------|--------|
| Dr. | £ | s. | d. | |
| To Salaries | 327 | 10 | 6 | |
| " Deputation Fees & Expenses | 40 | — | — | |
| " Cost of Annual Dinner and Entertainment | 72 | 13 | 11 | |
| " Journal Expenses | 146 | 8 | 5 | |
| " Postages | 15 | — | — | |
| " General Expenses | 10 | 14 | 4 | |
| " Printing and Stationery | 37 | 2 | 9 | |
| " Year Book Expenses | 136 | 7 | 7 | |
| " Rent, Rates, and Taxes | 346 | 12 | 6 | |
| " Fuel, Lighting, and Cleaning | 56 | 6 | 2 | |
| " Lecture Expenses | 75 | — | — | |
| " Legal Expenses | 7 | 12 | 6 | |
| " Auditors' Fees | 10 | 10 | — | |
| " Balance (surplus of income over expenditure) | 210 | 9 | 5 | |
| | <u>£1,492</u> | <u>8</u> | <u>1</u> | |
| | | | | £1,492 |
| | | | | 8 |
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EXERCISE X—No. 13.

RECEIPTS AND PAYMENTS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 19..:

Cy.

[illegible]

EXERCISE X—No. 14.

C. BARRAND IN ACCOUNT CURRENT WITH P. SMITH

Cr.

| Date. | Particulars. | Amount. | Days. | Products. | Date. | Particulars. | Amount. | Days. | Products. |
|---------|------------------------------|---------|-------|-----------|---------|--------------------------------|---------|-------|-----------|
| 19. 1 | To Balance | £ | 181 | 224,440 | 19— | By Bill (at 2 months, i.e. | £ | | |
| Jan. 2 | " Goods | 1,240 | 148 | 66,600 | Jan. 9 | March 12th) | 1,240 | 110 | 136,400 |
| Feb. 29 | " Goods (due March 29th) | 450 | 93 | 2,697 | Feb. 24 | " Goods (due March 24th) | — | 98 | 98,000 |
| Mar. 24 | " Bill (4 months' date, i.e. | 29 | Red | Red | Mar. 29 | " Bill (1 month, i.e. May 2nd) | 1,000 | 59 | 43,070 |
| | July 27th) | 1,000 | 27 | 27,000 | June 30 | " Red Ink Interest as contra | 730 | 27 | 27,000 |
| May 6 | " Goods | 35 | 55 | 1,925 | " 30 | " Interest (366,126 / 73,000) | 5 | 4 | 304,470 |
| | | | | 295,662 | | | | | 8 |
| | | | | 7 | | | | | |
| | | | | 2,069,634 | | | | | |
| | | | | 366,126 | | | | | |
| June 30 | " Balance of Products | 221 | 4 | 2,435,760 | | | £2,975 | 4 | 2,435,760 |
| " 30 | " Balance | — | 4 | — | | | — | — | — |
| | | £2,975 | | | | | | | |

EXERCISE X—No. 15.

| | | | |
|-------------|----------------|-----------|-----------------|
| 13th April: | £3,500 | zero | |
| 11th May: | £5,200 | 28 days = | £145,600 |
| 12th June: | £2,300 | 60 „ = | £138,000 |
| | <u>£11,000</u> | | <u>£283,600</u> |

Average due date: $\frac{283,600}{11,000} = 26$ days beyond 13th April = 9th May.

A bill for £11,137 10s. must be drawn payable 12th August, 19.. (allowing for 3 days' grace).

EXERCISE X—No. 16.

See *Advanced Accounts*, pages 14-15 (under "Reconciliation Account").

EXERCISE X—No. 17.

A Suspense Account is raised for items upon which queries have been entertained, and for that reason they are in suspense until the doubts have been cleared. It is also used as a TOTAL account for outstanding and unexpired values.

- (a) I. A Claim pending settlement.
 II. Unexpired Values of Insurance, etc.
 III. Outstanding Amounts for Rent, Wages, etc.
- (b) I. Disagreement of Trial Balance.
 II. Expenditure not allocated, i.e. Incidental Expenses.
 III. Any errors or omissions in posting which an indifferent staff may wish to cover—instead of adjust.

Note.—A Suspense Account is sometimes called "A Difference in Books Account," when it is raised for purposes stated under "b."

EXERCISE X—No. 18.

See *Advanced Accounts*, page 19 (under "Advantages" and "Disadvantages" respectively).

EXERCISE X—No. 19.**JOURNAL OF JACKSON & CO.**

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|---|-----|----|----|-----|----|----|
| | Williamson & Co. | 1 | 7 | 9 | | | |
| | To Commission | | | | | 12 | 4 |
| | 1% of £61/13/4. | | | | | | |
| | To Discount | | | | | 15 | 5 |
| | 5% of £61/13/4 for 3 mos. | | | | | | |
| | <hr/> | 63 | 1 | 1 | 63 | 1 | 1 |
| | Bills Receivable | | | | | | |
| | To Williamson & Co. | | | | | | |
| | Bill drawn @ 3 mos. for value of invoice plus commission and discount as arranged. | | | | | | |
| | <hr/> | £64 | 8 | 10 | £64 | 8 | 10 |
| | | | | | | | |

EXERCISE X—No. 19 (*contd.*).

SALES BOOK

| 19.. | | £ | s. | d. |
|------|--------------------------------------|----|----|----|
| | Williamson & Co.— | | | |
| | 25 tons Hematite Iron @ 49/4 | 61 | 13 | 4 |
| | Terms : Cash 1 mo. | | | |
| | | | | |

CASH BOOK

(DEBIT SIDE)

| 19.. | | £ | s. | d. |
|------|-------------------------------|----|----|----|
| | To Bills Receivable | 63 | 1 | 1 |
| | | | | |

LEDGER

| <i>Dr.</i> | | WILLIAMSON & Co. | | | <i>Cr.</i> | |
|------------|------------------|------------------|----|----|------------|-------------------------|
| 19.. | | £ | s. | d. | 19.. | |
| | To Sales | 61 | 13 | 4 | | By Bills Receivable . . |
| | „ Commission . . | | 12 | 4 | | |
| | „ Discount . . . | | 15 | 5 | | |
| | | £63 | 1 | 1 | | |
| | | | | | | |

| <i>Dr.</i> | | BILLS RECEIVABLE ACCOUNT | | | <i>Cr.</i> | |
|------------|-------------------------|--------------------------|----|----|------------|-------------------|
| 19.. | | £ | s. | d. | 19.. | |
| | To Williamson & Co. . . | 63 | 1 | 1 | | By Cash |
| | | | | | | |

EXERCISE X—No. 20.

Dr. GENERAL LEDGER ADJUSTMENT ACCOUNT (IN SALES LEDGER) Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|---------|-----------------------------------|---|--------|----|---------|--------------------------------|---|--------|----|
| Mar. 31 | To Returns Inwards | | 471 | — | Mar. 1 | By Debtors' Balances | | 6,271 | — |
| | (as per Returns Inward Book) | | | | | (as per Opening Entries) | | | |
| 31 | Cash (as per Cash Book) | | 7,810 | 10 | 31 | „ Sales to Customers | | 10,829 | — |
| 31 | Discounts | | 484 | — | | (as per Sales Book) | | | |
| 31 | „ Bills Receivable | | 1,735 | 10 | 31 | „ Bills Receivable | | 271 | — |
| | (as per Bills Receivable Book) | | | | | (as per Journal) | | | |
| 31 | „ Balance c/d | | 6,870 | — | | | | | |
| | | £ | 17,371 | — | | | £ | 17,371 | — |
| | | | | | Mar. 31 | By Balance b/d | | 6,870 | — |

See *Advanced Accounts*, pages { 218 (under "Formula, etc.").
222 (under "Formula, etc.").

| Amount. | | Products. | |
|---------|------------------------------|-----------|------------------|
| £ | | £ | |
| 1,050 | due 18th July | . | Average due date |
| 660 | " 91 days before 18th July | : | = 18th July |
| 375 | " 55 " " | : | - 34 days |
| 600 | " 18 " " | : | = 14th June |
| <hr/> | | <hr/> | Amount due to |
| £2,685 | 91,485 ÷ 2,685 gives 34 days | £91,485 | be paid, £2,685. |

| <i>Dr.</i> | | M. MOON | | <i>Cr.</i> | | | |
|----------------|----------------------|-------------|--------------|----------------|-------------------|-------------|---------------|
| 19.. Apr. 1 | To Bills Payable . . | £ 150 | s. d. — — | 19.. Apr. 1 | By Cash | £ 74 | s. d. 5 11 |
| | | | | " 1 | " Discount. . . . | 14 | 1 |
| | | | | July 4 | " Cash | 75 | — |
| | | <u>£150</u> | <u>— —</u> | | | <u>£150</u> | <u>— —</u> |

| <i>Dr.</i> | | | BILLS PAYABLE ACCOUNT | | | <i>Cr.</i> | | | | |
|------------|---------|-------|-----------------------|----|----|------------|-------------|-----|----|----|
| 19.. | | | £ | s. | d. | 19.. | | £ | s. | d. |
| July 4 | To Cash | . . . | 150 | — | — | Apr. 1 | By M. Moon. | 150 | — | — |

| Dr. | | DISCOUNT ACCOUNT | | | Cr. | |
|--------|------------------|------------------|----|----|-----|--|
| 19.. | | £ | s. | d. | | |
| Apr. 1 | To M. Moon . . . | 14 | 1 | | | |
| | | | | | | |

| Dr. | | CASH BOOK | | | | | | Cr. | |
|--------|------------------|-----------|----|----|--------|----------------------|-----|-----|----|
| | | Bank. | | | | Bank. | | | |
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Apr. 1 | To M. Moon . . . | 74 | 5 | 11 | July 4 | By Bills Payable . . | 150 | - | - |
| July 4 | „ M. Moon . . . | 75 | - | - | | | | | |

EXERCISE X—No. 23 (*contd.*).

CASH BOOK

(M. MOON'S)

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|------------|-----------------------|-----|-------|------------|------------------------|----|-------|
| Bank. | | | | Bank. | | | |
| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
| Apr. 1 | To Bills Receivable . | 150 | - - | Apr. 1 | By Banker's Discount . | 1 | 8 2 |
| | | | | July 4 | „ S. Sund | 74 | 5 11 |
| | | | | | „ S. Sund | 75 | - - |

M. MOON'S LEDGER

S. SUND

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|------------|--------------------|------|-------|------------|-----------------------|------|-------|
| S. SUND | | | | S. SUND | | | |
| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
| Apr. 1 | To Cash | 74 | 5 11 | Apr. 1 | By Bills Receivable . | 150 | - - |
| 1 | „ Discount | | 14 1 | | | | |
| July 4 | „ Cash | 75 | - - | | | | |
| | | £150 | - - | | | £150 | - - |

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|--------------------------|--------------------|-----|-------|--------------------------|-----------------|-----|-------|
| BILLS RECEIVABLE ACCOUNT | | | | BILLS RECEIVABLE ACCOUNT | | | |
| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
| Apr. 1 | To S. Sund | 150 | - - | Apr. 1 | By Bank | 150 | - - |

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|------------------|-----------------|----|-------|------------------|---------------------|----|-------|
| DISCOUNT ACCOUNT | | | | DISCOUNT ACCOUNT | | | |
| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
| Apr. 1 | To Bank | 1 | 8 2 | Apr. 1 | By S. Sund | | 14 1 |
| | | | | | „ Profit and Loss . | | 14 1 |
| | | £1 | 8 2 | | | £1 | 8 2 |

EXERCISE X—No. 24.

A. STEVENSON & L. LANNG'S JOINT CONSIGNMENT ACCOUNT

Dr.

Cr.

| | | Mths. | Int. | Amount. | | Amount. |
|---------|---|-------|---------|-------------|-----------------------------------|-------------|
| | | | £ s. d. | £ s. d. | | £ s. d. |
| 19.. | To Goods | 5 | 22 18 4 | 1,100 | By Account Sales | 1,640 |
| Jan. 1 | " Carriage, etc. | 5 | 1 9 2 | 70 | " Interest (1 mo. @ 5% on £1,640) | 6 |
| " 1 | " Insurance | 5 | 10 5 | 25 | | 16 |
| " 1 | " Loss on Bill | 5 | 1 3 | 2 | | 8 |
| " 1 | " Dock Dues | 4 | 10 | 10 | | |
| Feb. 1 | " Government Duty | 4 | 13 4 | 30 | | |
| " 1 | " Storage | 4 | 2 6 | 30 | | |
| Apr. 30 | " Sundries | 1 | 8 4 | 100 | | |
| " 30 | Interest | | | 26 13 4 | | |
| May 31 | " A. Stevenson's share of profit on venture | | | 111 4 8 | | |
| " 31 | " L. Langg's share of profit on venture | | | 111 4 8 | | |
| | | | | £1,646 16 8 | | £1,646 16 8 |

EXERCISE X—No. 24 (contd.).

JOINT CONSIGNMENT ACCOUNT IN L. LANNG'S BOOKS

Dr.

Cr.

| | Mths. | Int. | Amount. | | | Amount. | | |
|---------|-------|------|---------|----|-----------------------------------|---------|----|----|
| | | £ | s. | d. | | £ | s. | d. |
| 19.. 1 | 4 | 10 | — | — | 19.. | | | |
| Feb. 1 | 4 | 13 | 4 | — | Apr. 30 | 30 | — | — |
| " 1 | 4 | 2 | 6 | — | May 31 | 40 | — | — |
| Apr. 30 | 1 | 8 | 4 | — | By Account Sales | 1,640 | — | — |
| " 30 | 1 | 7 | 10 | — | " Interest (1 mo. @ 5% on £1,640) | 6 | 16 | 8 |
| " 30 | 3 | | | | | | | |
| May 31 | | | | | | | | |
| " 31 | | | | | | | | |
| " 31 | | | | | | | | |
| | | | | | | £1,646 | 16 | 8 |

JOINT CONSIGNMENT ACCOUNT IN A. STEVENSON'S BOOKS

Dr.

Cr.

| | Mths. | Int. | | Amount. | | | Amount. | | | |
|--------|-------|------|----|---------|--------|----|---------|--------|----|----|
| | | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| 19.. 1 | 5 | 22 | 18 | 4 | 1,100 | — | — | 600 | — | — |
| Jan. 1 | 5 | 1 | 9 | 2 | 70 | — | — | 7 | 10 | — |
| " 1 | 5 | 10 | 5 | — | 25 | 4 | — | 726 | 7 | 10 |
| " 1 | 5 | 1 | 3 | — | 2 | 10 | — | | | |
| " 1 | | | | | 24 | 19 | 2 | | | |
| May 31 | | | | | 111 | 4 | 8 | | | |
| " 31 | | | | | £1,333 | 17 | 10 | £1,333 | 17 | 10 |
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EXERCISE X—No. 25.

Dr.

MESSRS. J. SKINNER & H. FULLER
TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. | |
|---|---------|----|----|----------|----|----|----------------------|--------|----|---|
| To Stock, 1st Jan. | 10,724 | 12 | 5 | 7,047 | 11 | 4 | By Sales | 28,990 | 15 | — |
| " Purchases | 351 | 4 | 6 | | | | Less Returns Inwards | 1,240 | 5 | — |
| Less Returns Outwards | | | | | | | " Stock, 31st Dec. | | | |
| Carriage Inwards | | | | 10,373 | 7 | 11 | | | | |
| " Wages (Factory and Warehouse) | | | | 374 | 3 | 3 | | | | |
| " Manufacturing Expenses | | | | 2,356 | 17 | 4 | | | | |
| " Balance, Gross Profit c/d | | | | 371 | 12 | 4 | | | | |
| | | | | 14,181 | 10 | — | | | | |
| | | | | £ 34,705 | 2 | 2 | | | | |
| To Office Salaries | | | | 979 | 7 | 6 | By Trading Account | 34,705 | 2 | 2 |
| " General Expenses | | | | 174 | 19 | 7 | " Rents Received | 14,181 | 10 | — |
| " Rates, Taxes, and Insurance | 470 | 4 | 10 | | | | | 76 | — | — |
| Less Insurance Unexpired | £18 8 2 | | | | | | | | | |
| " Rates Paid in Advance | 24 7 6 | | | 42 | 15 | 8 | | | | |
| Repairs and Renewals | | | | 427 | 9 | 2 | | | | |
| " Legal Expenses and Audit Fee | | | | 142 | 3 | — | | | | |
| " Travellers' Expenses and Commission | | | | 547 | — | 7 | | | | |
| Advertising (20% of £27,750/10/- [Net Sales]) | | | | 5,550 | 2 | 1 | | | | |
| " Discount Account | | | | 124 | 18 | 1 | | | | |
| " Carriage Outwards | | | | 537 | 4 | 7 | | | | |
| " Postages and Stationery | | | | 243 | 14 | 1 | | | | |
| " Bad Debts | | | | 141 | 9 | 4 | | | | |
| " Bad Debts Reserve (2½ of £7,982/13/4) | | | | 199 | 11 | 4 | | | | |
| Depreciation— | | | | | | | | | | |
| " Plant, Machinery, etc. (10% of £1,489/6/8) | | | | 148 | 18 | 8 | | | | |
| Interest on Capital Accounts— | | | | | | | | | | |
| " J. Skinner (5% of £11,679/3/11) | 583 | 19 | 3 | | | | | | | |
| " J. Skinner (5% of £1,000 for 6 mos.) | 25 | — | — | | | | | | | |
| " H. Fuller (5% of £11,679/3/11) | 583 | 19 | 3 | | | | | | | |
| | | | | 1,192 | 18 | 6 | | | | |
| | | | | 3,780 | 11 | 7 | | | | |
| Balance, Net Profit c/d | | | | £ 14,257 | 10 | — | | | | |
| To Reserve for Employees (½ share) | | | | 756 | 2 | 3 | By Net Profit b/d | 14,257 | 10 | — |
| " J. Skinner's Capital Account (½ share) | | | | 1,512 | 4 | 8 | | | | |
| " H. Fuller's Capital Account (½ share) | | | | 1,512 | 4 | 8 | | | | |
| | | | | £ 3,780 | 11 | 7 | | | | |

EXERCISE X—No. 25 (contd.).

MESSRS. J. SKINNER & H. FULLER
BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | | £ | s. | d. | £ | s. | d. | ASSETS. | | £ | s. | d. | £ | s. | d. |
|-----------------------|---|--------|----|----|----------|----|----|--------------------------------|---|---|----|----|----------|----|----|
| Sundry Creditors | . | . | . | . | 3,641 | 12 | 2 | Cash in hand | . | . | . | . | 112 | 12 | 7 |
| Reserve for Employees | . | . | . | . | 756 | 2 | 3 | Cash at Bank | . | . | . | . | 1,110 | 19 | — |
| Capital Accounts— | | | | | | | | | | | | | | | |
| J. Skinner: | | | | | | | | | | | | | | | |
| Balance, 1st Jan. | . | 11,679 | 3 | 11 | | | | Sundry Debtors | . | . | . | . | 7,982 | 13 | 4 |
| Add Interest | . | 608 | 19 | 3 | | | | Less Bad Debts Reserve | . | . | . | . | 199 | 11 | 4 |
| " Share of Profit | . | 1,512 | 4 | 8 | | | | Stock. | . | . | . | . | | | |
| | | 13,800 | 7 | 10 | | | | Plant, Machinery, and Fixtures | . | . | . | . | 1,489 | 6 | 8 |
| Less Drawings | . | 971 | 10 | — | | | | Less Depreciation | . | . | . | . | 148 | 18 | 8 |
| | | | | | 12,828 | 17 | 10 | Advertising. | . | . | . | . | 12,127 | 4 | 2 |
| H. Fuller: | | | | | | | | Less Amount written off | . | . | . | . | 5,550 | 2 | — |
| Balance, 1st Jan. | . | 11,679 | 3 | 11 | | | | Freehold Land and Buildings | . | . | . | . | | | |
| Add Interest | . | 583 | 19 | 3 | | | | Unexpired Values— | | | | | | | |
| " Share of Profit | . | 1,512 | 4 | 8 | | | | Insurance | . | . | . | . | 18 | 8 | 2 |
| | | 13,775 | 7 | 10 | | | | Rates | . | . | . | . | 24 | 7 | 6 |
| Less Drawings | . | 842 | 12 | 6 | | | | | | | | | | | |
| | | | | | 12,932 | 15 | 4 | | | | | | | | |
| | | | | | £ 30,159 | 7 | 7 | | | | | | £ 30,159 | 7 | 7 |

EXERCISE X—No. 26.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|---|--------|----|----|--------|----|----|
| | Joint Account | 1,050 | — | — | 1,050 | — | — |
| | To Walker & Co. | | | | | | |
| | For goods purchased on joint speculation with R. Roberts. | | | | | | |
| | Marshman & Co. | 650 | — | — | 650 | — | — |
| | To Joint Account | | | | | | |
| | For sale of part of goods purchased on joint speculation. | | | | | | |
| | Joint Account | 75 | — | — | 75 | — | — |
| | To Commission | | | | | | |
| | 5% of £1,500. | | | | | | |
| | Joint Account | 160 | — | — | 160 | — | — |
| | To R. Roberts | | | | | | |
| | For transfer of share of profit due to R. Roberts. | | | | | | |
| | | £1,935 | — | — | £1,935 | — | — |

PURCHASES BOOK

| 19.. | | £ | s. | d. |
|------|---|-----|----|----|
| | Joint Account | 400 | — | — |
| | (Goods bought on Joint Account taken into stock). | | | |

LEDGER

Dr.

CASH ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|------|---------------------------|-----|----|----|------|----------------------------|----|----|----|
| | To R. Roberts | 525 | — | — | | By Joint Account | 55 | — | — |
| | " Joint Account | 450 | — | — | | (Expenses) | | | |

Dr.

JOINT ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|------|-----------------------------|--------|----|----|------|---------------------------|--------|----|----|
| | To Walker & Co. | 1,050 | — | — | | By Marshman & Co. | 650 | — | — |
| | " Cash (Expenses) | 55 | — | — | | " Cash | 450 | — | — |
| | " Commission | 75 | — | — | | " Purchases | 400 | — | — |
| | " R. Roberts | 160 | — | — | | | | | |
| | " Profit and Loss | 160 | — | — | | | | | |
| | | £1,500 | — | — | | | £1,500 | — | — |

EXERCISE X—No. 27.

JOURNAL OF DOBSON & CO.

| | | £ | s. | d. | £ | s. | d. |
|-------|---|-----|----|----|-----|----|----|
| 19.. | | | | | | | |
| May 8 | Fred Hunting <i>Dr</i> | 400 | — | — | | | |
| | To Braim & Son | | | | 400 | — | — |
| | Sale of Goods received on consignment inwards. | | | | | | |
| „ 24 | Braim & Son <i>Dr</i> | 35 | 15 | — | | | |
| | To Handling Charges (5s. per ton on 20 tons) | | | | 5 | — | — |
| | To Commission (5 per cent of £615 value of sale of Goods received on consignment inwards) | | | | 30 | 15 | — |

Dr.

CASH BOOK OF DOBSON & CO.

Cr.

| | | £ | s. | d. | | £ | s. | d. |
|--------|-------------------------|-----|----|----|--------|-------------------------------|-----|-----|
| 19.. | | | | | 19.. | | | |
| May 24 | To Cash (Auction Sales) | 215 | — | — | May 10 | By Braim & Son (Carriage) | 9 | 7 3 |
| | | | | | „ 13 | „ Braim & Son (Freight, etc.) | 24 | 8 9 |
| | | | | | „ 24 | „ Braim & Son . . . | 545 | 8 9 |

LEDGER OF DOBSON & CO.

Dr.

BRAIM & SON

Cr.

| | | £ | s. | d. | | £ | s. | d. |
|--------|------------------------------|------|----|----|-------|---------------------|-----|----|
| 19.. | | | | | 19.. | | | |
| May 10 | To Cash | 9 | 7 | 6 | May 8 | By F. Hunting . . . | 400 | — |
| „ 13 | „ „ | 24 | 8 | 9 | „ 12 | „ Cash | 215 | — |
| „ 24 | „ Handling Charges | 5 | — | — | | | | |
| „ 24 | „ Commission | 30 | 15 | — | | | | |
| „ 24 | „ Bank | 545 | 8 | 9 | | | | |
| | | £615 | — | — | | £615 | — | — |

EXERCISE X—No. 28.

(a) See *Advanced Accounts*, page 214 (under “Definition”).(b) See *Advanced Accounts*, page 226 (under “Definition”).

For explanation of Uncompleted Consignments, see *Advanced Accounts*, page 217 (under “Balancing the Consignment Account”).

EXERCISE X—No. 29.

Dr.

L. LACEY IN ACCOUNT CURRENT WITH B. BOOT

Cr.

| Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. | Date. | Particulars. | Due Date. | Amount. | Days. | Pro-ducts. |
|---------|---|-----------|-------------|-------|------------|---------|-------------------------|-----------|-------------|-------|------------|
| 19.. | | | | | | 19.. | | | | | |
| Jan. 1 | To Balance | | £ 255 13 | 181 | £ 46,336 | Feb. 10 | By Cash | | £ 120 — | 140 | £ 16,800 |
| Feb. 25 | " Bills Payable | | 200 — | 94 | 18,800 | " 23 | " Goods | | 478 9 10 | 127 | 60,706 |
| Mar. 10 | " Cash | Mar. 28 | 150 — | 112 | 16,800 | May 19 | " Goods | | 226 19 4 | 42 | 9,534 |
| Apr. 12 | " Goods | May 12 | 391 1 — | 49 | 19,159 | June 8 | " Goods | | 113 9 2 | 22 | 2,486 |
| Apr. 15 | " Cash | | 100 — | 15 | 1,500 | " 25 | " Cash | | 200 — | 5 | 1,000 |
| June 15 | " Goods | | 496 7 8 | 10 | 4,960 | " 30 | " Balance of Products. | | | | 17,029 |
| " 20 | " Goods | | | | | " 30 | " Balance c/d | | £ 456 10 — | | £ 107,555 |
| " 30 | " Interest $\left(\frac{17,029 \times 10}{73,000}\right)$ | | 2 6 8 | | £ 107,555 | | | | £ 1,595 8 4 | | |
| | | | £ 1,595 8 4 | | | | | | | | |
| June 30 | To Balance b/d | | 456 10 — | | | | | | | | |

EXERCISE X—No 30.

JOURNAL

| 19.. | | £ | | | s. | | | d. | | |
|------|---|------|----|----|----|----|----|------|----|----|
| | | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| | B. Bowman | 200 | — | — | | | | 200 | — | — |
| | To Bills Payable | | | | | | | | | |
| | Our acceptance at 1 mo. | | | | | | | | | |
| | R. Brown | 350 | — | — | | | | 350 | — | — |
| | To B. Bowman | | | | | | | | | |
| | Sale of part of goods received on con'ment. | | | | | | | | | |
| | Purchases Account | 300 | — | — | | | | 300 | — | — |
| | To B. Bowman | | | | | | | | | |
| | Balance of goods received on consignment. | | | | | | | | | |
| | B. Bowman | 50 | — | — | | | | 50 | — | — |
| | To Commission | | | | | | | | | |
| | 5% of £1,000. | | | | | | | | | |
| | | £900 | — | — | | | | £900 | — | — |

| Dr. | | CASH BOOK | | | | | | Cr. | |
|------|--|-----------|----|----|------|--|-----|-----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| | To B. Bowman (Sale of part of his consignment) | 350 | — | — | | By B. Bowman (Cartage & Exps.) | 20 | — | — |
| | | | | | | „ B. Bowman (Balance due on his consignment) | 730 | — | — |

| LEDGER | | | | | | | | | |
|--------|---------------------------|-----------|----|----|------|-----------------------|--------|----|----|
| Dr. | | B. BOWMAN | | | | Cr. | | | |
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| | To Cash | 20 | — | — | | By R. Brown | 350 | — | — |
| | " Bills Payable | 200 | — | — | | " Cash | 350 | — | — |
| | " Commission | 50 | — | — | | " Purchases | 300 | — | — |
| | " Cash | 730 | — | — | | | | | |
| | | £1,000 | — | — | | | £1,000 | — | — |

EXERCISE XI—No. 3

THE NEEDLEBORE TRADING CO.

Cr.

Dr. TRADING AND PROFIT AND LOSS ACCOUNTS FOR THE PERIOD ENDED.....

| Date. | Particulars. | Linoleum Dept. | | Carpet Dept. | | Total. | | Date. | Particulars. | Linoleum Dept. | | Carpet Dept. | | Total. | |
|-------|--------------------------------------|----------------|----|--------------|----|--------|--------|-------|--------------|----------------|--------|--------------|----|--------|----|
| | | s. | d. | s. | d. | £ | s. | d. | | £ | s. | d. | £ | s. | d. |
| 19. | To Stocks at commencement | 1,856 | 12 | 3 | | 1,856 | 12 | 3 | 19.. | | | | | | |
| | By Purchases, NET | 8,385 | 3 | 4 | | 8,385 | 7 | 8 | | | | | | | |
| | By Wages | 3,958 | 14 | 5 | | 3,958 | 18 | 9 | | | | | | | |
| | By Manufacturing Expenses | 2,075 | 5 | 6 | | 2,017 | 5 | 2 | | | | | | | |
| | By Balance (gross profits) | 6,825 | 2 | 4 | | 6,825 | 6 | 7 | | | | | | | |
| | £ | 23,200 | 17 | 10 | | 23,200 | 17 | 10 | | £ | 23,200 | 17 | 10 | | |
| | To Salaries | 2,045 | 13 | 9 | | 2,045 | 13 | 9 | | | | | | | |
| | By Rent, Rates, and Taxes | 1,193 | 3 | 1 | | 1,022 | 16 | 10 | | | | | | | |
| | By General Expenses | 611 | 5 | 10 | | 596 | 11 | 7 | | | | | | | |
| | By Balance (NET profits) | 2,974 | 19 | 8 | | 2,974 | 5 | 3 | | | | | | | |
| | £ | 6,825 | 2 | 4 | | £3,368 | 6 | 7 | | | | | | | |
| | By Sales—NET | | | | | | | | | | | | | | |
| | By Stocks at close | | | | | | | | | | | | | | |
| | £ | 23,200 | 17 | 10 | | £ | 35,995 | 19 | 6 | | | | | | |
| | By Trading Accounts | 6,825 | 2 | 4 | | 6,825 | 2 | 4 | | | | | | | |
| | £ | 10,193 | 8 | 11 | | £ | 10,193 | 8 | 11 | | | | | | |

MESSRS. JEFFREY, SLATER & GIBBS

Dr. TRADING AND PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 19.. Cr.

GENERAL PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

272

MESSRS. DAVIS & SMITH

DEPARTMENTAL TRADING AND PROFIT AND LOSS ACCOUNTS, FOR HALF-YEAR ENDED 31ST DECEMBER, 19..

GENERAL PROFIT AND LOSS ACCOUNT FOR HALF-YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | <i>£</i> | <i>s.</i> | <i>d.</i> | <i>£</i> | <i>s.</i> | <i>d.</i> | <i>£</i> | <i>s.</i> | <i>d.</i> |
|---|----------|-----------|-----------|----------|-----------|-----------|----------|-----------|-----------|
| To Interest on Capital Accounts— | | | | | | | | | |
| Davis (5% of £1,925 for 6 mos.) | 48 | 2 | 6 | | | | 151 | 11 | 8 |
| Smith (5% of £1,925 for 6 mos.) | 48 | 2 | 6 | | | | 173 | 3 | 1 |
| | | | | 96 | 5 | — | 195 | 4 | 7 |
| “ Balance (Net Profit) to Capital Accounts— | 451 | 1 | 4 | | | | 221 | 8 | 5 |
| Davis, $\frac{1}{3}$ share | 451 | 1 | 4 | | | | 256 | 19 | 11 |
| Smith, $\frac{1}{3}$ share | | | | 902 | 2 | 8 | | | |
| | | | | | | | 998 | 7 | 8 |
| | | | | £998 | 7 | 8 | £998 | 7 | 8 |

EXERCISE XI—No. 6.

Dr.

DEPARTMENTAL TRADING AND PROFIT AND LOSS ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | A Dept. | | | B Dept. | | | TOTAL. | | | A Dept. | | | B Dept. | | | TOTAL. | | |
|---|---------|----|----|---------|----|----|--------|----|----|---------|----|----|---------|----|----|--------|----|----|
| | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| To Stock, 1st Jan. | 7,561 | 4 | 2 | 6,946 | 12 | 8 | 14,207 | 16 | 10 | 47,328 | 14 | 1 | 31,552 | 9 | 5 | 78,881 | 3 | 6 |
| " Purchases | 19,573 | 12 | 18 | 14,846 | 3 | 6 | 34,419 | 16 | 2 | 9,432 | 12 | 6 | 7,846 | 15 | 3 | 17,279 | 7 | 9 |
| " Wages | 3,846 | 3 | 10 | 1,945 | 16 | 4 | 5,792 | 2 | 2 | | | | | | | | | |
| " Balance, gross profits of Departments | 26,080 | 3 | 11 | 15,660 | 12 | 2 | 41,740 | 16 | 1 | | | | | | | | | |
| £ | 56,761 | 6 | 7 | 39,399 | 4 | 8 | 96,160 | 11 | 3 | 56,761 | 6 | 7 | 39,399 | 4 | 8 | 96,160 | 11 | 3 |
| To Traveller's Commission | 2,700 | 6 | 3 | 1,900 | 4 | 2 | 4,500 | 10 | 5 | 26,080 | 3 | 11 | 15,660 | 12 | 2 | 41,740 | 16 | 1 |
| " Rents, Rates, and Taxes | 690 | 3 | 6 | 1,460 | 2 | 4 | 2,150 | 5 | 10 | 249 | 18 | 9 | 166 | 12 | 6 | 416 | 11 | 3 |
| " Salaries | 1,794 | 18 | 4 | 1,198 | 2 | 4 | 2,992 | 10 | 6 | | | | | | | | | |
| " Insurance (£367/10/6 - £26) | 204 | 18 | 4 | 138 | 12 | 2 | 341 | 10 | 6 | | | | | | | | | |
| " Directors' Fees | 900 | — | — | 600 | — | — | 1,500 | 3 | 4 | | | | | | | | | |
| " Postages, Telegrams, and Bill Stamps | 447 | 14 | — | 298 | 9 | 4 | 746 | 3 | 4 | | | | | | | | | |
| " Exhibition Expenses | 1,105 | 16 | 9 | 737 | 4 | 6 | 1,843 | 1 | 3 | | | | | | | | | |
| " Sundry Expenses | 1,650 | 6 | 3 | 1,100 | 4 | 2 | 2,750 | 10 | 5 | | | | | | | | | |
| " Stationery, Sample Books, and Catalogues (£1,572/4/3 - £46) | 915 | 14 | 7 | 610 | 9 | 8 | 1,526 | 4 | 3 | | | | | | | | | |
| " Discount on Sales | 567 | 5 | — | 378 | 3 | 4 | 945 | 8 | 4 | | | | | | | | | |
| " Stable and Motor Expenses | 336 | 3 | 3 | 224 | 2 | 2 | 560 | 5 | 5 | | | | | | | | | |
| " Debenture Interest | 300 | — | — | 200 | — | — | 500 | — | — | | | | | | | | | |
| " Difference in Exchange (loss) | 19 | 9 | 6 | 12 | 19 | 8 | 32 | 9 | 2 | | | | | | | | | |
| " Bad Debts | 432 | 3 | 3 | 288 | 2 | 2 | 720 | 5 | 5 | | | | | | | | | |
| " Bad Debts Reserve | 246 | 12 | — | 164 | 8 | — | 411 | — | — | | | | | | | | | |
| 5% of £22,830/10/- = £1,131/10/6 | | | | | | | | | | | | | | | | | | |
| Less Old Reserve £720/10/6 | | | | | | | | | | | | | | | | | | |
| " Depreciation— | | | | | | | | | | | | | | | | | | |
| Working Plant and Utensils | 2,622 | 3 | 10 | 1,748 | 2 | 6 | 4,370 | 6 | 4 | | | | | | | | | |
| (10% of £43,703/3/4) | | | | | | | | | | | | | | | | | | |
| Horses, Harness, Motor Vans, etc. | 450 | — | — | 300 | — | — | 750 | — | — | | | | | | | | | |
| (10% of £7,500) | | | | | | | | | | | | | | | | | | |
| Furniture, etc. (24% of £1,055) | 15 | 16 | 6 | 10 | 11 | — | 26 | 7 | 6 | | | | | | | | | |
| " Balance, NET profit of Departments | 10,981 | 9 | 8 | 5,561 | 9 | 6 | 16,492 | 19 | 2 | | | | | | | | | |
| £ | 26,330 | 2 | 8 | 15,827 | 4 | 8 | 42,157 | 7 | 4 | 26,330 | 2 | 8 | 15,827 | 4 | 8 | 42,157 | 7 | 4 |

EXERCISE XI—No. 7.

THE TOILET SPECIALITIES CO.

Dr. TRADING AND PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 30TH JUNE, 19.. Cr.

| | 'Excelsior' Hair Cream. | | | 'De Luxe' Tooth Paste. | | | Total. | 'Excelsior' Hair Cream. | | | 'De Luxe' Tooth Paste. | | | Total. |
|---|-------------------------|----|----|------------------------|----|----|--------|----------------------------------|----|----|------------------------|----|----|--------|
| | £ | s. | d. | £ | s. | d. | £ | £ | s. | d. | £ | s. | d. | £ |
| To Stocks— | | | | | | | | By Sales— | | | | | | |
| Raw Materials, 1st July | 807 | 13 | 8 | 316 | 4 | 5 | 1,123 | Hair Cream | | | | | | |
| Manufactured Hair Cream, etc. | 713 | 9 | 10 | 307 | 18 | 9 | 1,021 | (75,896 bottles @ 1/11 per bot.) | | | | | | |
| Bottles, Labels, etc. | 207 | 10 | 8 | 246 | 15 | 3 | 554 | Tooth Paste | | | | | | |
| " Purchases— | | | | | | | | (498,878 boxes @ 5½d. per box) | | | | | | |
| Raw Materials | 727 | 4 | 9 | 517 | 6 | 5 | 1,244 | " Stocks— | | | | | | |
| Bottles, Labels, etc. | 518 | 5 | 5 | 323 | 14 | 6 | 841 | Raw Materials | | | | | | |
| " Wages | 707 | 14 | 3 | 734 | 7 | 8 | 1,442 | Manufactured | | | | | | |
| " Manufacturing Expenses | 268 | 10 | 7 | 243 | 16 | 7 | 512 | Bottles, Labels, etc. | | | | | | |
| " Balance, gross profits of Departments | 4,621 | 18 | 6 | 9,730 | 4 | 3 | 14,352 | | | | | | | |
| | £8,672 | 7 | 8 | 12,420 | 7 | 10 | 21,092 | | | | | | | |
| To Salaries | | | | | | | | By Trading Accounts | | | | | | |
| " Advertising | 56 | 9 | 9 | 371 | 5 | 9 | 427 | | | | | | | |
| " Postages | 778 | 11 | 3 | 5,117 | 12 | 7 | 5,896 | | | | | | | |
| " Rent, Rates, and Taxes | 66 | 17 | 3 | 439 | 10 | 5 | 506 | | | | | | | |
| " Sundry Expenses | 95 | 8 | 11 | 627 | 7 | 10 | 722 | | | | | | | |
| " Balance, Net Profit of Departments | 41 | 19 | 7 | 375 | 18 | 11 | 317 | | | | | | | |
| | 3,582 | 11 | 9 | 2,898 | 8 | 10 | 6,481 | | | | | | | |
| | £4,621 | 18 | 6 | £9,730 | 4 | 3 | 14,352 | | | | | | | |

Note.—The undivided Expenses are borne in the following proportions: { Hair Cream Dept., £132045. { Tooth Paste Dept., £867955.

EXERCISE XI—No. 8.

THE LUXWORTH MOTOR-CAR WORKS, LTD.

MOTOR-CARS TRADING ACCOUNT

Dr. FOR THE YEAR ENDED 31ST DECEMBER, 19.. *Cr.*

| | £ | s. | d. | | £ | s. | d. |
|-------------------------|---------|----|----|--------------------|---------|----|----|
| To Purchases . . . | 15,725 | — | — | By Sales | 18,950 | — | — |
| „ Bal. (gross profit) . | 3,225 | — | — | | | | |
| | £18,950 | — | — | | £18,950 | — | — |

ACCESSORIES TRADING ACCOUNT

Dr. FOR THE YEAR ENDED 31ST DECEMBER, 19.. *Cr.*

| | £ | s. | d. | | £ | s. | d. |
|---------------------------|--------|----|----|--------------------------|--------|----|----|
| To Accessories used. . | 2,418 | 15 | 6 | By Sale of Accessories . | 2,907 | 14 | 8 |
| „ Petrol, Oil, etc., used | 657 | 5 | 11 | „ Sale of Petrol, Oil, | | | |
| „ Bal. (gross profit) . | 858 | 6 | 7 | etc. | 1,026 | 13 | 4 |
| | £3,934 | 8 | — | | £3,934 | 8 | — |

REPAIRS TRADING ACCOUNT

Dr. FOR THE YEAR ENDED 31ST DECEMBER, 19.. *Cr.*

| | £ | s. | d. | | £ | s. | d. |
|-------------------------------------|------|----|----|--|------|----|----|
| To Cost of Repairing Cars | 816 | 16 | 5 | By Charges to Customers for Repairing Cars . . | 906 | 12 | 7 |
| „ Bal. (gross profit) . | 89 | 16 | 2 | | | | |
| | £906 | 12 | 7 | | £906 | 12 | 7 |

HIRE CARS TRADING ACCOUNT

Dr. FOR THE YEAR ENDED 31ST DECEMBER, 19.. *Cr.*

| | £ | s. | d. | | £ | s. | d. |
|--|------|----|----|--|------|----|----|
| To Expense of Hire Cars | 208 | 14 | 5 | By Charges to Customers for Hire of Cars | 467 | 13 | 9 |
| „ Depreciation. (20% of £574) | 114 | 16 | — | | | | |
| „ Bal., gross profit | 144 | 3 | 4 | | | | |
| | £467 | 13 | 9 | | £467 | 13 | 9 |

EXERCISE XI—No. 8 (*contd.*).

THE LUXWORTH MOTOR-CAR WORKS, LTD.

Dr. PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---|----|----|----|--------|----|----|-----------------------------|----|----|
| To Carriage | | | | 129 | 16 | 6 | By Trading Accounts— | | |
| " Management Expenses | | | | 487 | 14 | 3 | Motor-cars | | |
| " Bad Debts | | | | 110 | 9 | 6 | Accessories | | |
| " Debenture Interest | | | | 125 | — | — | Repairs | | |
| " Repairs to Plant | | | | 29 | 13 | 2 | Hire Cars | | |
| " Wages in Yard | | | | 148 | 10 | 3 | Garage Receipts | | |
| " Addition to Bad Debts Reserve | | | | 1 | 6 | 9 | " Sundry Receipts | | |
| " Depreciation— | | | | | | | | | |
| Loose Tools (20% of £378/10/9) | 75 | 14 | 2 | | | | | | |
| Fixtures (5% of £110/15/6) | 5 | 10 | 9 | | | | | | |
| Manager's Commission | | | | 81 | 4 | 11 | | | |
| " (1/10% of £3,490/5/5) | | | | 166 | 4 | 1 | | | |
| " Balance, Net Profit | | | | 3,324 | 1 | 4 | | | |
| | | | | £4,604 | — | 9 | | | |
| | | | | | | | £4,604 | — | 9 |

EXERCISE XI { No. 9
No. 10
No. 11
No. 12
No. 13

These Exercises are the same as Examples in *Advanced Accounts*, except that the figures are double those employed in the examples. The examples are to be found as under: No. 9 (pp. 347-349), No. 10 (pp. 349-351), No. 11 (pp. 352-354), No. 12 (pp. 354-358), No. 13 (pp. 358-361).

EXERCISE XI—No. 14 (*contd.*).

T. THOMPSON, PAWNBROKER

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | | £ | s. | d. | £ | s. | d. |
|-------------------|---|-------|----|----|--------|----|----|
| Sundry Creditors | . | . | . | 6 | 339 | 13 | 6 |
| Capital Account— | | | | | | | |
| Balance, 1st Jan. | . | 7,000 | 15 | 5 | | | |
| Add Interest | . | 350 | — | 9 | | | |
| „ Profit for Year | . | 626 | 10 | 3 | | | |
| | | 7,977 | 6 | 5 | | | |
| Less Drawings. | . | 350 | — | — | 7,627 | 6 | 5 |
| | | | | | | | |
| | | | | | £7,966 | 19 | 11 |
| | | | | | £7,966 | 19 | 11 |

EXERCISE XI—No. 15.

G. GREASLEY

DEPARTMENTAL TRADING ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | Engine Dept. | Repairs Dept. | Total. | Engine Dept. | Repairs Dept. | Total. |
|--|--------------|---------------|----------|--------------|---------------|--------------|
| | <i>f</i> | <i>s. d.</i> | <i>f</i> | <i>s. d.</i> | <i>f</i> | <i>s. d.</i> |
| To Stocks, 1st Jan. | 3,516 | 11 2 | 1,164 | 13 7 | 4,481 | 4 8 |
| " Purchases | 8,507 | 10 6 | 5,275 | 11 8 | 13,783 | 2 2 |
| " Wages | 2,657 | 13 4 | 3,608 | 15 5 | 6,265 | 8 9 |
| " Working Expenses | 1,056 | 5 8 | 1,516 | 4 10 | 2,572 | 10 6 |
| " Balance, gross profits of Departments | 2,529 | 12 5 | 2,109 | 5 9 | 4,638 | 18 2 |
| <i>f</i> | 18,067 | 13 1 | 13,674 | 11 3 | 31,742 | 4 4 |
| By Sales | 14,616 | 16 9 | | | | |
| " Amounts charged to Customers for Repairs | 3,450 | 16 4 | | | | |
| " Stocks, 31st Dec. | 18,067 | 13 1 | | | | |
| <i>f</i> | 18,067 | 13 1 | 13,674 | 11 3 | 31,742 | 4 4 |

EXERCISE XI—No. 15 (*contd.*).

G. GREASLEY

GENERAL PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

| | £ | s. | d. |
|---|--------|----|----|
| To Bad Debts | 47 | 15 | 3 |
| " Salaries | 617 | 15 | 3 |
| " Rent, Rates, and Taxes | 496 | 13 | 4 |
| " Gas and Electric Light | 157 | 11 | 5 |
| " Insurance | 182 | 5 | 6 |
| " Office Expenses | 148 | 8 | 9 |
| " Addition to Bad Debts Reserve | 15 | — | — |
| " Depreciation, Office Furniture (5% of £927/13/10) | 11 | 7 | 8 |
| " Interest on Capital Account (5% of £5,651/4/9) | 258 | — | — |
| " Balance, Net Profit to Capital Account | 2,942 | 2 | 10 |
| | £4,680 | 15 | 10 |

EXERCISE XI—No. 16.

ENGINEERING SUPPLIES CO

DEPARTMENTAL. TRADING AND PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | Works Dept. | | | Retail Dept. | | | Total. | | |
|---|-------------|----|----|--------------|----|----|--------|----|----|
| | f. | s. | d. | f. | s. | d. | f. | s. | d. |
| To Stocks, 1st Jan. | 1,056 | 10 | 6 | 6,573 | 14 | 8 | 7,630 | 5 | 2 |
| " Purchases | 87.43 | 5 | 10 | 32,656 | 18 | 9 | 41,400 | 4 | 7 |
| " Wages | 7,426 | 19 | 5 | 9,914 | 10 | 3 | 8,341 | 9 | 8 |
| " Carriage | 620 | 13 | 4 | 1,456 | 7 | 8 | 2,077 | 1 | — |
| " Balance, gross profits of Departments | 4,663 | 17 | 10 | 6,835 | 2 | 1 | 11,498 | 19 | 11 |
| £ | 22,511 | 6 | 11 | 48,436 | 13 | 5 | 70,948 | — | 4 |
| By Sales, 31st Dec. | | | | | | | | | |
| " Stocks, | | | | | | | | | |
| " Appreciation of Plant | | | | | | | | | |
| £ | 22,511 | 6 | 11 | 48,436 | 13 | 5 | 70,948 | — | 4 |
| By Trading Accounts. | | | | | | | | | |
| | | | | | | | | | |
| £ | 4,663 | 17 | 10 | 6,835 | 2 | 1 | 11,498 | 19 | 11 |
| To Office Salaries | 526 | 15 | 6 | 507 | 6 | 6 | 1,034 | 2 | — |
| " Office Expenses | 206 | 4 | 11 | 572 | 15 | 10 | 779 | 8 | 9 |
| " Rent, Rates, and Taxes | 463 | 17 | 8 | 325 | 10 | 6 | 788 | 8 | 2 |
| " Addition to Bad Debts Reserve | | | | | | | | | |
| " Bad Debts | 112 | 15 | 6 | 116 | 16 | 11 | 228 | 12 | 5 |
| " P. Philcree's Salary. | 500 | — | — | 500 | — | — | 1,000 | — | — |
| " Balance, Net Profit of Departments. | 2,849 | 14 | 3 | 4,808 | 2 | 4 | 7,657 | 16 | 7 |
| £ | 4,663 | 17 | 10 | 6,835 | 2 | 1 | 11,498 | 19 | 11 |

EXERCISE XI—No. 17.

See *Advanced Accounts*, pages 3 (under "Systems of Accounting"), 4, and 5; also page 2 (under "Accounts")

EXERCISE XI—No. 18.

See *Advanced Accounts*, page 31 (under sub-heading "Difference between a Trading Account and a Profit and Loss Accounts")

The accounts from which the Trading and Profit and Loss Accounts are prepared are—

| TRADING | PROFIT AND LOSS |
|-----------------------------------|-------------------------|
| Stock. | Carriage Outwards |
| Work in Progress. | Rent. |
| Purchases. | Rates and Taxes. |
| Sales. | Salaries. |
| Carriage. | Wages (non-productive). |
| Wages (Productive). | Discount. |
| Expenses (Manufacturing), etc. | Commission. |
| | Insurance. |
| | Interest, etc. |

EXERCISE XI—No. 19.

A suitable form of Cash Book for a large institution, such as a County Asylum or Hydropathic Institution, would be as described on page 12 of *Advanced Accounts* (under "Bank Cash Book"), and illustrated on pages 290 and 291.

It would not be necessary to have the SALES column, as institutions are non-trading concerns. Modifications of rulings to the right of the Bank column may be made to suit the particular requirements of the institution.

EXERCISE XI—No. 20.

JOURNAL OF ROBERT SAWYER

| | | £ | s. | d. | £ | s. | d. |
|------|--|-----|----|----|-----|----|----|
| 19.. | | | | | | | |
| (1) | Fire Insurance Unexpired | 25 | — | — | | | |
| | To Fire Insurance | | | | 25 | — | — |
| | Transfer of prepaid insurance. | | | | | | |
| (2) | Salaries | 125 | — | — | | | |
| | To Salaries Reserve | | | | 125 | — | — |
| | Provision made for salaries due to partners A, B, and C. | | | | | | |
| (3) | Cash | 100 | — | — | | | |
| | To R. Robinson (Contractee) | | | | 100 | — | — |
| | For receipt of £100 in full settlement of contract price. | | | | | | |
| | R. Robinson (Contractee) | 50 | — | — | | | |
| | To Contract (R. Robinson's) | | | | 50 | — | — |
| | Transfer of amount equivalent to half of value of contract. | | | | | | |
| | Contract (R. Robinson's) | 39 | — | — | | | |
| | To Materials and Wages, etc. | | | | 39 | — | — |
| | For materials and labour on contract. | | | | | | |
| | Contract Account | 11 | — | — | | | |
| | To Profit and Loss Account | | | | 11 | — | — |
| | For estimated profit on completed portion of contract. | | | | | | |
| (4) | Depreciation | 78 | 11 | 5 | | | |
| | To Patents | | | | 78 | 11 | 5 |
| | † of £550 written off. | | | | | | |

EXERCISE XI—No. 20 (*contd.*)JOURNAL OF ROBERT SAWYER—(*contd.*)

| 19.. | | £ | | | s. | | | d. | | |
|------|--|------|----|----|------|----|----|----|----|----|
| | | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| | Patent Fees (Renewal) | 7 | 7 | — | | | | | | |
| | To Patents | | | | 7 | 7 | — | | | |
| | Transfer of patent fees. | | | | | | | | | |
| | Profit and Loss Account | 7 | 7 | — | | | | | | |
| | To Patent Fees | | | | 7 | 7 | — | | | |
| | Transfer of balance. | | | | | | | | | |
| (5) | Depreciation Account | 20 | 8 | 2 | | | | | | |
| | To Machinery Account. | | | | 20 | 8 | 2 | | | |
| | Original Cost . . £200 @ £120 | | | | | | | | | |
| | Less 10% . . 20 „ 12 | | | | | | | | | |
| | Value at end of 1st yr. £180 „ £108 | | | | | | | | | |
| | Less 10% . . 18 „ 10 16 — | | | | | | | | | |
| | Value at end of 2nd yr. £162 „ £97 4 — | | | | | | | | | |
| | Less 10% . . 16 4 — „ 9 14 5 | | | | | | | | | |
| | Value at end of 3rd yr. £145 16 — „ £87 9 7 | | | | | | | | | |
| | Loss in purchase value of milling machine = £145/16/- - £87/9/7 = £58/6/5, which sum it would be well to write off over a period of 5 years ($\frac{1}{5}$ of which is included in depreciation for this year). | | | | | | | | | |
| | Profit and Loss Account | 20 | 8 | 2 | | | | | | |
| | To Depreciation | | | | 20 | 8 | 2 | | | |
| | Transfer of balance. | | | | | | | | | |
| | | £484 | 1 | 9 | £484 | 1 | 9 | | | |

EXERCISE XI—No. 21.

In the opinion of the writer the abbreviated Statement presented to Subscribers, etc., is very unsatisfactory for the following reasons—

(a) A Cash Statement (badly constructed) does not adequately explain the financial position of the Institution.

(b) According to the Statement submitted, it appears that the grants and purchase of Consols on account of "Trust Funds" exceed Income—an anomalous position without fuller information to work upon.

(c) Grants have been made amounting to £4,740 against receipts of subscriptions, etc., of £4,629, evidence of imprudent allocation of the funds of the institution.

See also *Advanced Accounts*, page 327 (under "Errors in Published Accounts").

EXERCISE XI—No. 22.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|--|---------------|----|----|---------------|----|----|
| | Consignment Account. | 750 | — | — | | | |
| | To Goods on Consignment | | | | 750 | — | — |
| | For goods consigned to A. Archer, of Sydney. | | | | | | |
| | A. Archer | 800 | — | — | | | |
| | To Consignment | | | | 800 | — | — |
| | For gross proceeds as per A/s. | | | | | | |
| | Consignment | 85 | — | — | | | |
| | To A. Archer | | | | 85 | — | — |
| | For commission and expenses as per A/s. | | | | | | |
| | Bills Receivable. | 465 | — | — | | | |
| | To A. Archer | | | | 465 | — | — |
| | Bill drawn at 1 mo. for balance of account. | | | | | | |
| | | <u>£2,100</u> | — | — | <u>£2,100</u> | — | — |

| Dr. | | CASH BOOK | | | | Cr. | | | |
|------|------------------------|-----------|----|----|------|---------------------|----|----|----|
| 19.. | To A. Archer | £ | s. | d. | 19.. | By Consignment A/c— | £ | s. | d. |
| | | 250 | — | — | | Freight : £54 | | | |
| | | | | | | Insurance : 30 | | | |
| | | | | | | | 84 | — | — |

| LEDGER | | | | | | | | | |
|--------|---------------------|---------------------|----|----|------|---------------------|---------------|-----|----|
| Dr. | | CONSIGNMENT ACCOUNT | | | | | | Cr. | |
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| | To Goods on C/ment | 750 | — | — | | By A. Archer | 800 | — | — |
| | „ Cash (Expenses) | 84 | — | — | | (Gross proceeds) | | | |
| | „ A. Archer (Exps.) | 85 | — | — | | „ Unsold Stock c/d | 250 | — | — |
| | „ Balance (Profit) | 159 | — | — | | „ Proportion of Ex- | | | |
| | | | | | | penses c/d | 28 | — | — |
| | | <u>£1,078</u> | — | — | | | <u>£1,078</u> | — | — |
| | „ Stock, etc., b/d | 278 | — | — | | | | | |

MILDRED & MERRYWEATHER

TRADING ACCOUNT FOR THE HALF-YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|----------------------------------|--------|----|----|---------|----|----|--------|----|----|
| To Stock of Materials, 1st July | | | | | | | | | |
| " Purchases of Materials | 14,187 | 14 | 9 | 3,611 | 17 | 6 | | | |
| Less Discts. Received | | | | | | | | | |
| Disct. Reserve | | | | | | | | | |
| " (2½% of £1,250/10/-) | 418 | 11 | 11 | | | | | | |
| | | | | 13,769 | 2 | 10 | | | |
| | | | | 4,531 | 13 | 2 | | | |
| | | | | 149 | 1 | 2 | | | |
| | | | | 4,072 | - | 1 | | | |
| | | | | £26,133 | 14 | 9 | | | |
| Wages, NET | | | | | | | 19,101 | 3 | - |
| " Royalty (on manufctg. process) | | | | | | | 7,032 | 11 | - |
| " Balance, Gross Profit c/d | | | | | | | 26,133 | 14 | 9 |

EXERCISE XI—No. 23 (contd.).

MILDRED & MERRYWEATHER

Dr. PROFIT AND LOSS ACCOUNT FOR THE HALF-YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | £ | s. | d. | | £ | s. | d. |
|--|-----|----|----|---|--------|----|----|
| To Office Salaries | . | . | . | By Trading Account | | | |
| " Traveller's Salaries | . | . | . | Rent of Stabling let off | 189 | 11 | 3 |
| " Rates and Insurance | . | . | . | " Rent of Stabling chargeable against J. C. Mildred : | 432 | 9 | 6 |
| Add Rates owing | 75 | - | - | " (26 weeks @ 10/-) | | | |
| Less Insurance prepaid | 196 | 15 | 10 | | | | |
| Repairs and Renewals of Machinery | 30 | - | - | | 166 | 15 | 10 |
| " Gas and Water | 35 | 13 | 7 | | 248 | 3 | 1 |
| Add amount due for half-year | 125 | 19 | 1 | | | | |
| Travellers' Commission | . | . | . | | 161 | 12 | 8 |
| " Interest on Mortgage (1 year) | . | . | . | | 123 | 4 | 2 |
| " Travelling Expenses | . | . | . | | 80 | - | - |
| " Bank Charges | . | . | . | | 269 | 13 | 1 |
| " Trade Expenses | . | . | . | | 68 | 9 | 3 |
| " Interest on Bonus Account | . | . | . | | 179 | 10 | 5 |
| " Bad Debts Reserve (amount provided) | 200 | - | - | | 8 | 4 | 9 |
| Less Old Reserve | 138 | 9 | 1 | | | | |
| Depreciation— | | | | | 61 | 10 | 11 |
| Land and Buildings (1% of £6,300 for 6 mos.) | 31 | 10 | - | | | | |
| Machinery and Plant (10% of £9,071 for 6 mos.) | 303 | 11 | - | | | | |
| Office Furniture | 23 | 3 | 8 | | 358 | 4 | 8 |
| Balance c/d | | | | | 1,778 | 13 | 3 |
| | | | | | £4,126 | 2 | 10 |
| To Interest on Capital Accounts— | | | | | | | |
| J. C. Mildred (5% of £8,653/14/8 for 6 mos.) | 216 | 6 | 11 | | | | |
| W. F. Merryweather (5% of £5,610/3/7 for 6 mos.) | 140 | 5 | 1 | | 356 | 12 | - |
| | | | | | 213 | 6 | 1 |
| R. A. Merryweather's Bonus (15% of £1,422/1/3) | | | | | 569 | 18 | 1 |
| Balance, Next Profit to Capital Accounts— | | | | | | | |
| J. C. Mildred, $\frac{1}{3}$ share | 604 | 7 | 7 | | 1,208 | 15 | 2 |
| W. F. Merryweather, $\frac{1}{3}$ share | 604 | 7 | 7 | | | | |
| | | | | | £1,778 | 13 | 3 |

EXERCISE XI—No. 23 (*contd.*).

MESSRS. J. C. MILDRED & W. F. MERRYWEATHER

BALANCE SHEET AS AT 31ST DECEMBER, 19..

[illegible]

EXERCISE XI—No. 24.

STATEMENT OF PERCENTAGES BASED ON TURNOVER.

Net Sales, £19,101/3/-

| | % |
|---|-------|
| Materials Consumed (including Royalty) | 57·15 |
| Wages, Net | 23·72 |
| Gross Profit | 21·32 |
| Net Expenses, i.e. (£4,126/2/10—£1,778/13/3) £2,347/9/7 | 12·30 |
| Net Profit | 6·33 |

EXERCISE XI—No. 25.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|--|--------|----|----|--------|----|----|
| Jan. 1 | Bank Account | 1,000 | — | — | 1,000 | — | — |
| | To Capital Account | | | | | | |
| " 2 | Purchases Account | 362 | 1 | 8 | 362 | 1 | 8 |
| | To X & Co. | | | | | | |
| " 2 | X & Co. | 362 | 1 | 8 | 362 | 1 | 8 |
| | To Bills Payable | | | | | | |
| " 3 | Office Furniture | 131 | 10 | — | 131 | 10 | — |
| | To H. B. C. Furnishing Co. | | | | | | |
| " 3 | H. B. C. Furnishing Co. | 131 | 10 | — | 124 | 18 | 6 |
| | To Bank Account | | | | 6 | 11 | 6 |
| | „ Discount (5% of £131/10/-) | | | | | | |
| " 3 | Purchases Account | 271 | 6 | 3 | 271 | 6 | 3 |
| | To London Trading Co. | | | | | | |
| " 3 | London Trading Co. | 51 | 6 | — | 51 | 6 | — |
| | To Returns Outwards | | | | | | |
| " 3 | London Trading Co. | 220 | — | 3 | 220 | — | 3 |
| | To Bank | | | | | | |
| " 4 | H. Jones | 50 | — | — | 50 | — | — |
| | To Bank | | | | | | |
| " 4 | Bills Receivable | 55 | — | — | 55 | — | — |
| | To H. Jones | | | | | | |
| " 4 | H. Jones | 5 | — | — | 5 | — | — |
| | To Interest | | | | | | |
| " 5 | Petty Cash Account | 10 | — | — | 10 | — | — |
| | To Bank | | | | | | |
| " 6 | George & Co. | 220 | — | — | 220 | — | — |
| | To Sales | | | | | | |
| " 6 | Bank Account | 214 | 10 | — | | | |
| | Discount Account (2½% on £220) | 5 | 10 | — | 220 | — | — |
| | To G. George | | | | | | |
| " 7 | Purchases Account | 862 | 11 | 1 | 862 | 11 | 1 |
| | To W. & H. Johnson | | | | | | |
| " 8 | Salary | 3 | — | — | | | |
| | Drawings | 17 | — | — | 20 | — | — |
| | To Bank | | | | | | |
| " 9 | Bank | 71 | 6 | 2 | 71 | 6 | 2 |
| | To Sales | | | | | | |
| | Sales to A. Murray & Co. | | | | | | |
| " 10 | Stationery | | 15 | — | | 15 | — |
| | To Petty Cash | | | | | | |
| " 11 | Murray & Co. | 71 | 6 | 2 | 71 | 6 | 2 |
| | To Bank | | | | | | |
| | A. Murray's cheque of 9th inst. re- turned dishonoured. | | | | | | |
| | | £4,115 | 14 | 3 | £4,115 | 14 | 3 |

EXERCISE XI—No. 26.

MR. PRICE'S JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|---------------------------------------|------|----|----|------|----|----|
| 19.. | | | | | | | |
| Jan. 18 | Cash Account | 100 | — | — | | | |
| | To R. Goodman | | | | 100 | — | — |
| " 18 | R. Goodman | 101 | 5 | — | | | |
| | To Bills Payable (including Interest) | | | | 101 | 5 | — |
| " 18 | Interest Account | 1 | 5 | — | | | |
| | To R. Goodman | | | | 1 | 5 | — |
| | | £202 | 10 | — | £202 | 10 | — |

FORM OF INLAND BILL OF EXCHANGE

DUE DATE 21st April, 19—.

LONDON.

18th Jan., 19—.

£101:5:0

STAMP

2/-

Three months after date pay to my order the sum
of One hundred and one pounds, five shillings, for
value received.

To MR. P. PRICE,
25 Ainault Avenue,
Chingford.

R. A. GOODMAN.

EXERCISE XI—No. 27.

| Dr. | | INSURANCE ACCOUNT | | | | Cr. | | | |
|---------|-------------------------|-------------------|----|----|---------|-------------------------|-----|----|----|
| | | £ | s. | d. | | | £ | s. | d. |
| 1937 | | | | | 1931 | | | | |
| Jan. 1 | To Balance b/f | 21 | 6 | 2 | Dec. 31 | By Unexpired Insurance: | | | |
| Mar. 31 | " Sundries as Purchases | | | | | 3 mos. on £3 | | 15 | — |
| | Book (2s. per cent | | | | | 6 " £12 10s. | | 6 | 5 |
| | of £3,000) | 3 | — | — | | 11 " £12 10s. | | 11 | 9 |
| June 30 | " do., 5s. per cent of | 12 | 10 | — | " 31 | " Balance to P. & L. | | 30 | 17 |
| | £5,000 | | | | | A/c. | | | |
| Dec. 1 | " do., 5s. per cent of | 12 | 10 | — | | | | | |
| | £5,000 | | | | | | | | |
| | | £49 | 6 | 2 | | | £49 | 6 | 2 |
| 1938 | | | | | | | | | |
| Jan. 1 | To Balance b/f | 18 | 9 | 2 | | | | | |

EXERCISE XI—No. 28.

| <i>Debit Side</i> | | PACKING CASES ACCOUNT | | | | | |
|-------------------|------------------------------------|-----------------------|--|------|-------|------|-------|
| | | | | 1935 | | 1936 | |
| Jan. 1 | To Wood and nails | | | £ | s. d. | £ | s. d. |
| Jan-Dec. | „ Purchases of materials | | | 21 | 10 - | 12 | 7 6 |
| „ „ | „ Wages of workmen | | | 319 | 15 - | 351 | 7 6 |
| | | | | 73 | - - | 68 | - - |
| | | | | £414 | 5 - | £431 | 15 - |

| <i>Credit Side</i> | | | | | | | |
|--------------------|---|--|--|------|-------|------|-------|
| | | | | 1935 | | 1936 | |
| Dec. 31 | By Materials at close | | | £ | s. d. | £ | s. d. |
| „ 31 | „ Transfer to Trading Account | | | 12 | 7 6 | 18 | 5 - |
| | | | | 401 | 17 6 | 413 | 10 - |
| | | | | £414 | 5 - | £431 | 15 - |

EXERCISE XI—No. 29.

NOMINAL LEDGER

| <i>Dr.</i> | | SALES LEDGER ADJUSTMENT ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|--------------------------|---------------------------------|-----------|----------|--------|----------------------------|---------------|-----------|----------|
| 1937 | | £ | s. | d. | 1937 | | £ | s. | d. |
| Mar. 1 | To Balance b/t | 2,459 | 1 | 7 | Mar. 1 | By Balance b/t | 47 | 5 | - |
| " 1-31 | " Sales | 3,589 | 10 | - | " 1-31 | " Returns | 108 | 7 | 3 |
| " 31 | " D. Peters | 9 | 5 | - | " 31 | " Cash | 2,891 | 3 | 2 |
| | | | | | | " Discounts | 93 | 5 | 8 |
| | | | | | | " Bills Received | 250 | - | - |
| | | | | | | " Bad Debts | 15 | 8 | 6 |
| | | | | | | " M. Brown | 21 | 15 | - |
| | | | | | " 31 | " Balance | 2,630 | 12 | - |
| | | <u>£6,057</u> | <u>16</u> | <u>7</u> | | | <u>£6,057</u> | <u>11</u> | <u>7</u> |

| | | | |
|------------------------------|--|--------|-------|
| | | £ | s. d. |
| Balance of Debtors | | 2,664 | 9 6 |
| Less Creditors | | 43 | 17 6 |
| | | £2,620 | 12 - |

Balance as Account above, £2,630 12s.

Difference is £10.

The important figures to check *first* would be—

- (1) Opening Balances of Debtors b/t and any creditors' balances transferred.
- (2) Totals of subsidiary books related to debtors.
- (3) Journal transfers.

The student should study carefully the plan of proof of this type of Ledger as explained and graphically set out on page 275 of *Advanced Accounts*.

EXERCISE XI—No. 30.

The best method of dealing with the value of Loose Tools and Plant from the point of view of depreciation is to regard them as stock-in-trade, evaluating the stock of Loose Tools and Plant at end of year "at cost" or "market price," whichever is the lower.

It may be advisable to view some of such stock, if held for a long period, as of "no value." Generally, however, the "at cost" or "market" valuation fairly meets the case of this class of plant.

EXERCISE XII—No. 3.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|--------|--|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Jan. 1 | Sundry Debtors | 560 | — | — | | | |
| | Goodwill | 310 | — | — | | | |
| | To Bad Debts Reserve (5% of £560) | | | | 28 | — | — |
| | „ C's Capital Account | | | | 842 | — | — |
| | For assets brought in by C | £870 | — | — | £870 | — | — |
| „ 1 | Coal Trucks | 70 | — | — | | | |
| | Carts, Plant, Horses and Harness | 74 | — | — | | | |
| | Goodwill | 455 | — | — | | | |
| | To Bad Debts Res. (7½% of £3,720) | | | | 279 | — | — |
| | „ A's Capital Account | | | | 160 | — | — |
| | „ B's | | | | 160 | — | — |
| | For net gain to A and B on the re-valuation of their assets. | £1,469 | — | — | £1,469 | — | — |

(Dr. SIDE)

CASH BOOK

| | | Cash. | | | Bank. | | |
|--------|--|-------|----|----|--------|----|----|
| | | £ | s. | d. | £ | s. | d. |
| 19.. | | | | | | | |
| Jan. 1 | To Balance : : : : . | 18 | — | — | 1,166 | — | — |
| „ 1 | „ C's Capital : : : : . | | | | 158 | — | — |
| | (Amount brought in to raise his Capital from £842 to £1,000) | | | | | | |
| | | £18 | — | — | £1,324 | — | — |

(Cr. SIDE)

| | | Cash. | | | Bank. | | |
|--------|--|-------|----|----|--------|----|----|
| | | £ | s. | d. | £ | s. | d. |
| 19.. | | | | | | | |
| Jan. 1 | By A's Capital | | | | 500 | — | — |
| | (Amount withdrawn to reduce his Capital from £3,260 to £2,760) | | | | | | |
| „ 1 | „ Balance c/d | 18 | — | — | 824 | — | — |
| | | £18 | — | — | £1,324 | — | — |

EXERCISE XII—No. 3 (contd.).

MESSRS. A B & C

BALANCE SHEET, 1ST JANUARY, 19..

| LIABILITIES. | | | ASSETS. | | |
|----------------------------|-------|-------|---|--------|-------|
| | £ | s. d. | | £ | s. d. |
| Bills Payable. | | | Cash | 18 | — |
| Sundry Creditors | | | Bank | 824 | — |
| Capital Accounts— | | | Sundry Debtors | 4,280 | — |
| A | 2,760 | — | Less Bad Debts Reserve | 307 | — |
| B | 2,760 | — | | | |
| C | 1,000 | — | Stock of Coal | 3,973 | — |
| | | | Goodwill | 570 | — |
| | | | Coal Trucks | 765 | — |
| | | | Carts, Plant, Horses, and Harness | 1,000 | — |
| | | | Furniture and Fittings. | 550 | — |
| | | | | 320 | — |
| | | | | £8,020 | — |

EXERCISE XII—No. 4.

JOURNAL

| | £ | s. | d. | £ | s. | d. |
|---|--------|----|----|--------|----|----|
| <i>Capital Accounts—</i> | | | | | | |
| Dickson | 980 | — | — | | | |
| Bell | 735 | — | — | | | |
| Peters | 490 | — | — | | | |
| To Profit and Loss Adjustment A/c | | | | 2,205 | — | — |
| Transfer of incorrect shares of profit as shown in the Profit and Loss Account. | | | | | | |
| Profit and Loss Adjustment A/c . . | 2,205 | — | — | | | |
| To <i>Capital Accounts—</i> | | | | | | |
| Dickson, $\frac{2}{8}$ share | | | | 1,046 | 8 | 10 |
| Bell, $\frac{21}{8}$ share | | | | 784 | 16 | 8 |
| Peters, $\frac{10}{8}$ share | | | | 373 | 14 | 6 |
| Respective shares of profit transferred. | | | | | | |
| | £4,410 | — | — | £4,410 | — | — |

LEDGER

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|---|--------|----|----|--|--------|----|----|
| DICKSON'S CAPITAL ACCOUNT | | | | | | | |
| To Profit and Loss Adjustment Account . . | £ | s. | d. | By Balance | £ | s. | d. |
| „ Balance c/d | 980 | — | — | „ Profit and Loss Adjustment Account . . | 3,920 | — | — |
| | 3,986 | 8 | 10 | | 1,046 | 8 | 10 |
| | £4,966 | 8 | 10 | | £4,966 | 8 | 10 |
| | | | | By Balance b/d | £3,986 | 8 | 10 |
| | | | | | | | |
| BELL'S CAPITAL ACCOUNT | | | | | | | |
| To Profit and Loss Adjustment Account . . | £ | s. | d. | By Balance | £ | s. | d. |
| „ Balance c/d | 735 | — | — | „ Profit and Loss Adjustment Account . . | 2,940 | — | — |
| | 2,989 | 16 | 8 | | 784 | 16 | 8 |
| | £3,724 | 16 | 8 | | £3,724 | 16 | 8 |
| | | | | By Balance b/d | £2,989 | 16 | 8 |
| | | | | | | | |
| PETERS' CAPITAL ACCOUNT | | | | | | | |
| To Profit and Loss Adjustment Account . . | £ | s. | d. | By Balance | £ | s. | d. |
| „ Balance c/d | 490 | — | — | „ Profit and Loss Adjustment Account . . | 1,540 | — | — |
| | 1,423 | 14 | 6 | | 373 | 14 | 6 |
| | £1,913 | 14 | 6 | | £1,913 | 14 | 6 |
| | | | | By Balance b/d | £1,423 | 14 | 6 |

EXERCISE XII—No. 5.

MESSRS. BLACK & WHITE

TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19..

| TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19.. | | | | | | | | | | Cr. | | | | | |
|---|---|---|---|---|--------|--------|----|--------------------|---|-----|----|----|--------|--------|---|
| Dr. | | | | | £ | s. | d. | | | £ | s. | d. | | | |
| To Stock, 1st Jan. | . | . | . | . | 3,000 | — | — | By Sales | . | . | . | . | 24,800 | — | — |
| „ Purchases | . | . | . | . | 16,450 | — | — | „ Stock, 31st Dec. | . | . | . | . | 3,225 | — | — |
| „ Manufacturing Wages | . | . | . | . | 2,150 | — | — | | | | | | | | |
| „ Balance, Gross Profit c/d | . | . | . | . | 6,425 | — | — | | | | | | | | |
| | | | | | | | | | | | | | 28,025 | — | — |
| | | | | | £ | 28,025 | — | — | | | | | £ | 28,025 | — |

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..:

[illegible]

EXERCISE XII—No. 5 (*contd.*).

MESSRS. BLACK & WHITE

BALANCE SHEET AS AT 31ST DECEMBER, 19..

[illegible]

MESSRS. LION & UNICORN

TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

300

EXERCISE XII—No. 6 (*contd.*).

MESSRS. LION & UNICORN

| PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | | | | | | |
|--|-------|----|--------|----|-----|-----------------------------------|----|----|--------|
| Dr. | | | | | Cr. | | | | |
| £ | s. | d. | £ | s. | d. | £ | s. | d. | £ |
| To Freight and Marine Insurance | | | | | | By Trading Account | | | |
| " Repairs and Replacements. | | | 312 | | | " Cottage Rents Received | | | |
| " Salaries | | | 3,205 | | | " Bal., Ner Loss to Capital A/cs: | | | |
| " Rent, Rates, and Taxes | | | 858 | | | R. Lion, $\frac{1}{4}$ share | | | |
| " Insurance. | | | 873 | | | P. Unicorn, $\frac{1}{4}$ share | | | |
| " Bad Debts | | | 265 | | | | | | 2,810 |
| " Advertising | | | 341 | | | | | | 2,810 |
| " Advertising Suspense Account (\$ of £5,800 written off) | | | 982 | | | | | | |
| " Depreciation— | | | 2,900 | | | | | | 5,620 |
| Plant | 2,500 | | | | | | | | |
| Barges | 325 | | | | | | | | |
| Addition to Bad Debts Reserve | | | 2,825 | | | | | | |
| Interest on Capital Accounts— | | | 12 | | | | | | |
| R. Lion (5% of £59,400) | 2,970 | | | | | | | | |
| P. Unicorn (5% of £30,000) | 1,500 | | | | | | | | |
| | | | 4,470 | | | | | | |
| | | | 17,043 | | | | | | |
| | | | £ | | | | | | £ |
| | | | | | | | | | 17,043 |
| | | | | | | | | | |

MESSRS. LION & UNICORN
BALANCE SHEET AS AT 31ST DECEMBER, 19..

302

EXERCISE XII—No. 7.

WILLIAM JAMES'S DRAWINGS ACCOUNT

(Dr. SIDE)

| Date. | Particulars. | Mths. | Interest. | | | Amount. | | |
|---------|---------------------|-------|-----------|----|----|---------|----|----|
| 19.. | | | £ | s. | d. | £ | s. | d. |
| Mar. 1 | To Cash | 10 | 3 | 6 | 8 | 80 | — | — |
| June 1 | „ „ | 7 | 2 | 18 | 4 | 100 | — | — |
| Sept. 1 | „ „ | 4 | | 16 | 8 | 50 | — | — |
| Dec. 1 | „ „ | 1 | | 10 | — | 120 | — | — |
| „ 31 | „ Interest. | | | | | 7 | 11 | 8 |
| | | | | | | £357 | 11 | 8 |

EDWARD JONES'S DRAWINGS ACCOUNT

(Dr. SIDE)

| Date. | Particulars. | Mths. | Interest. | | | Amount. | | |
|--------|--------------------------------------|-------|-----------|----|----|---------|----|----|
| 19.. | | | £ | s. | d. | £ | s. | d. |
| Mar. 1 | To Capital (5% of £2,000 for 2 mos.) | 2 | 16 | 13 | 4 | | | |
| Apr. 1 | „ Cash | 9 | 1 | 17 | 6 | 50 | — | — |
| July 1 | „ „ | 6 | 1 | 17 | 6 | 75 | — | — |
| Oct. 1 | „ „ | 3 | | 18 | 9 | 75 | — | — |
| Dec. 1 | „ „ | 1 | | 6 | 3 | 75 | — | — |
| „ 31 | „ Interest. | | | | | 21 | 13 | 4 |
| | | | | | | £296 | 13 | 4 |

EXERCISE XII—No. 7 (*contd.*).

| | | JOURNAL | | CLOSING ENTRIES | | Dr. | | Cr. | |
|---------|--|---------|---|-----------------|----|-----|--------|-----|----|
| | | | | £ | s. | d. | £ | s. | d. |
| 19.. | | | | | | | | | |
| Dec. 31 | Trading Account | . | . | 5,750 | — | — | 5,750 | — | — |
| | To Purchases | . | . | | | | | | |
| " 31 | Sales | . | . | 6,020 | — | — | | | |
| | Stock, 31st Dec. | . | . | 2,478 | — | — | 8,498 | — | — |
| | To Trading Account | . | . | | | | | | |
| " 31 | Trading Account | . | . | 2,748 | — | — | | | |
| | Interest on Partners' Drawings | . | . | 29 | 5 | — | 2,777 | 5 | — |
| | To Profit and Loss Account | . | . | | | | | | |
| " 31 | Profit and Loss Account | . | . | 1,754 | — | — | | | |
| | To Rents, Rates, Taxes, and Insc.. | . | . | | | | 187 | — | — |
| | „ Office and General Expenses | . | . | | | | 125 | — | — |
| | „ Horse Keep | . | . | | | | 95 | — | — |
| | „ Discounts and Allowances | . | . | | | | 45 | — | — |
| | „ Interest, Commission, and Bank Charges | . | . | | | | 32 | — | — |
| | „ Printing, Stationery, and Advertising | . | . | | | | 15 | — | — |
| | „ Travelling Expenses | . | . | | | | 120 | — | — |
| | „ Salaries and Wages | . | . | | | | 1,020 | — | — |
| | „ Freight and Carriage | . | . | | | | 115 | — | — |
| " 31 | Profit and Loss Account | . | . | 1,023 | 5 | — | | | |
| | To Capital Accounts— | . | . | | | | | | |
| | W. James, $\frac{3}{5}$ share | . | . | | | | 613 | 19 | — |
| | E. Jones, $\frac{2}{3}$ share | . | . | | | | 409 | 6 | — |
| " 31 | W. James's Capital Account | . | . | 357 | 11 | 8 | | | |
| | To W. James's Drawings Account | . | . | | | | 357 | 11 | 8 |
| " 31 | E. Jones's Capital Account | . | . | 296 | 13 | 4 | | | |
| | To E. Jones's Drawings Account | . | . | | | | 296 | 13 | 4 |
| | | | | £ 20,456 | 15 | — | 20,456 | 15 | — |

MESSRS. JAMES & JONES
GENERAL STATEMENT OF ASSETS AND LIABILITIES

| ASSETS. | | £ | s. | d. | £ | s. | d. | LIABILITIES. | | £ | s. | d. | £ | s. | d. |
|-------------------------------|---|---|----|----|--------|----|----|-------------------|---|-------|----|----|--------|----|----|
| Trade Debtors | . | | | | 2,514 | — | — | Trade Creditors | . | | | | 848 | — | — |
| Stock | . | | | | 2,478 | — | — | Capital Accounts— | . | | | | | | |
| Horses, Carts, and Harness | . | | | | 225 | — | — | William James | . | 3,256 | 7 | 4 | | | |
| Office Furniture and Fittings | . | | | | 250 | — | — | Edward Jones | . | 2,112 | 12 | 8 | 5,369 | — | — |
| Plant, Tools, etc. | . | | | | 750 | — | — | | | | | | | | |
| | | | | | £6,217 | — | — | | | | | | £6,217 | — | — |

EXERCISE XII—No. 8.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|------------------------------------|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Mar. 31 | Capital Accounts— | | | | | | |
| | X | 800 | — | — | | | |
| | Y | 400 | — | — | | | |
| | Z | 400 | — | — | | | |
| | To Profit and Loss A/c (adjusted) | | | | 1,600 | — | — |
| „ 31 | Profit and Loss Account (adjusted) | 220 | — | — | | | |
| | To Interest on Capital Accounts— | | | | | | |
| | X | | | | 110 | — | — |
| | Y | | | | 90 | — | — |
| | Z | | | | 20 | — | — |
| | | £1,820 | — | — | £1,820 | — | — |

| Dr. | | CAPITAL ACCOUNT, X | | | | | | Cr. | |
|---------|--|--------------------|----|----|---------|---------------------------------------|---------------|-----|----|
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | | | | | 19.. | | | | |
| Mar. 31 | To Profit and Loss A/c . (adjusted) | 800 | — | — | Dec. 31 | By Balance | 3,000 | — | — |
| | | | | | 19.. | | | | |
| „ 31 | „ Balance c/d | 3,000 | — | — | Mar. 31 | „ Interest | 110 | — | — |
| | | | | | „ 31 | „ Profit and Loss A/c . (adjusted) | 690 | — | — |
| | | | | | | | | | |
| | | <u>£3,800</u> | — | — | | | <u>£3,800</u> | — | — |
| | | | | | Mar. 31 | By Balance b/d | 3,000 | — | — |

| Dr. | | CAPITAL ACCOUNT, Y | | | | | | Cr. | |
|---------|----------------------------------|--------------------|----|----|---------|---------------------------------|--------|-----|----|
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | | | | | 19.. | | | | |
| Mar. 31 | To Profit and Loss A/c | 400 | — | — | Dec. 31 | By Balance | 2,200 | — | — |
| | (adjusted) | | | | 19.. | | | | |
| " 31 | " Balance c/d | 2,235 | — | — | Mar. 31 | " Interest | 90 | — | — |
| | | | | | " 31 | " Profit and Loss A/c | 345 | — | — |
| | | | | | | (adjusted) | | | |
| | | £2,635 | — | — | | | £2,635 | — | — |
| | | | | | Mar. 31 | By Balance b/d | 2,235 | — | — |

| Dr. | | CAPITAL ACCOUNT, Z | | | | | | Cr. | |
|---------|--------------------------------------|--------------------|----|----|---------|-------------------------------------|--------|-----|----|
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | | | | | 19.. | | | | |
| Mar. 31 | To Profit and Loss A/c (adjusted) | 400 | — | — | Dec. 31 | By Balance | 800 | — | — |
| | | | | | 19.. | | | | |
| " 31 | " Balance c/d | 765 | — | — | Mar. 31 | " Interest | 20 | — | — |
| | | | | | " 31 | " Profit and Loss A/c (adjusted) | 345 | — | — |
| | | | | | | | | | |
| | | £1,165 | — | — | | | £1,165 | — | — |
| | | | | | | | | | |
| | | | | | Mar. 31 | By Balance b/d | 765 | — | — |

EXERCISE XII—No. 8 (*contd.*).

| <i>Dr.</i> | | PROFIT AND LOSS ACCOUNT (ADJUSTED) | | | | <i>Cr.</i> | | |
|------------|----------------------------------|------------------------------------|----|----|---------|--------------------------------|---------------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Mar. 31 | To <i>Int. on Capital A/cs</i> — | | | | Mar. 31 | By <i>Capital Accounts</i> — | | |
| | X (5% of £2,200) . | 110 | — | — | | X ($\frac{1}{4}$ of £1,600) . | 800 | — |
| | Y (5% of £1,800) . | 90 | — | — | | Y ($\frac{1}{4}$ of £1,600) . | 400 | — |
| | Z (5% of £400) . | 20 | — | — | | Z ($\frac{1}{4}$ of £1,600) . | 400 | — |
| " 31 | „ <i>Balance to Cap. A/cs</i> : | | | | | | | |
| | X £690 | | | | | | | |
| | Y £345 | | | | | | | |
| | Z £345 | | | | | | | |
| | | 1,380 | — | — | | | | |
| | | <u>£1,600</u> | — | — | | | <u>£1,600</u> | — |

EXERCISE XII—No. 9.

MESSRS. RUDD & BUTLER

BALANCE SHEET AS AT 31ST DECEMBER, 19..

[(a) FIXED METHOD]

| LIABILITIES. | | | £ | s. | d. | £ | s. | d. |
|---------------------------------|--|--|-------|----|----|---------|----|----|
| Bills Payable | | | | | | 1,706 | 2 | 8 |
| Sundry Creditors | | | | | | 2,173 | 13 | 9 |
| Outstanding Expenses | | | | | | 175 | 3 | 11 |
| Loan Account, R. Rudd | | | | | | 1,500 | — | — |
| <i>Capital Accounts</i> — | | | | | | | | |
| R. Rudd | | | 7,000 | — | — | | | |
| B. Butler | | | 4,500 | — | — | | | |
| | | | | | | 11,500 | — | — |
| <i>Current Accounts</i> — | | | | | | | | |
| R. Rudd : | | | | | | | | |
| Interest on Capital | | | 350 | — | — | | | |
| " on Loan | | | 75 | — | — | | | |
| Share of Profit | | | 1,473 | 2 | 8 | | | |
| | | | 1,898 | 2 | 8 | | | |
| Less Drawings | | | 1,600 | — | — | | | |
| | | | | | | 298 | 2 | 8 |
| B. Butler : | | | | | | | | |
| Interest on Capital | | | 225 | — | — | | | |
| Share of Profit | | | 1,156 | 13 | 10 | | | |
| | | | 1,381 | 13 | 10 | | | |
| Less Drawings | | | 1,200 | — | — | | | |
| | | | | | | 181 | 13 | 10 |
| | | | | | | £17,534 | 16 | 10 |

EXERCISE XII—No. 9 (*contd.*).

MESSRS. RUDD & BUTLER

BALANCE SHEET AS AT 31ST DECEMBER, 19..

[(b) NOT FIXED METHOD]

| LIABILITIES. | | | £ | s. | d. | £ | s. | d. |
|--------------------------|---|---|--------|----|----|---------|----|----|
| Bills Payable | . | . | | | | 1,706 | 2 | 8 |
| Sundry Creditors | . | . | | | | 2,173 | 13 | 9 |
| Outstanding Expenses | . | . | | | | 175 | 3 | 11 |
| Loan Account, R. Rudd | . | . | | | | 1,500 | — | — |
| <i>Capital Accounts—</i> | | | | | | | | |
| <i>R. Rudd :</i> | | | | | | | | |
| Balance, 1st Jan. | . | . | 7,000 | — | — | | | |
| Add Interest. | . | . | 350 | — | — | | | |
| " " on Loan | . | . | 75 | — | — | | | |
| " Share of Profit | . | . | 1,473 | 2 | 8 | | | |
| | | | 8,898 | 2 | 8 | | | |
| Less Drawings | . | . | 1,600 | — | — | 7,298 | 2 | 8 |
| <i>B. Butler :</i> | | | | | | | | |
| Balance, 1st Jan. | . | . | 4,500 | — | — | | | |
| Add Interest. | . | . | 225 | — | — | | | |
| " Share of Profit | . | . | 1,156 | 13 | 10 | | | |
| | | | £5,881 | 13 | 10 | | | |
| Less Drawings | . | . | 1,200 | — | — | 4,681 | 13 | 10 |
| | | | | | | £17,534 | 16 | 10 |

EXERCISE XII—No. 10.

(Dr. SIDE)

CASH BOOK

| | | Bank. | | | Bank. | | |
|------|--------------------------------|-------|----|----|-------|--|--|
| | | £ | s. | d. | | | |
| 19.. | To D. Dawson's Capital Account | 1,500 | — | — | | | |

Note.—Separate cheques would be handed to A. Bassett and P. Palmer for their respective shares of *Goodwill*.

EXERCISE XII—No. 11.

| <i>Dr.</i> | | CASH BOOK | | | | <i>Cr.</i> | | | |
|------------|---------------------------|---------------|----|----|-------|--|---------------|----|---|
| | | Bank. | | | Bank. | | | | |
| | | £ | s. | d. | | £ | s. | d. | |
| 19.. | To F. Fletcher's Capital. | 2,300 | — | — | 19.. | By Goodwill | 300 | — | — |
| | | | | | | (Amount paid to D. Dutton by F. Fletcher for share of Goodwill) | | | |
| | | | | | | „ Balance c/d | 2,000 | — | — |
| | | <u>£2,300</u> | — | — | | | <u>£2,300</u> | — | — |
| | To Balance b/d | £2,000 | — | — | | | | | |

EXERCISE XII—No. 12.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|--------|--|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Jan. 1 | Sundry Debtors. | 920 | — | — | | | |
| | Goodwill | 350 | — | — | | | |
| | To Bad Debts Reserve (5% of £920) | | | | 46 | — | — |
| | „ F. Fir's Capital | | | | 1,224 | — | — |
| | For assets brought in by F. Fir. | | | | | | |
| | | 1,270 | — | — | 1,270 | — | — |
| „ 1 | Plant and Tools. | 134 | — | — | | | |
| | Horses, Carts, Wagons, etc. | 35 | — | — | | | |
| | Goodwill | 1,050 | — | — | | | |
| | To Bad Debts Reserve (5% of £3,940) | | | | 197 | — | — |
| | „ A. Dean's Capital Account | | | | 511 | — | — |
| | „ B. Gibson's Capital Account | | | | 511 | — | — |
| | For NET gain to Dean and Gibson on the revaluation of their assets. | £2,489 | — | — | £2,489 | — | — |

EXERCISE XII—No. 12 (*contd.*).

Dr.

CASH BOOK

Cr.

| | | Cash. | | Bank. | | | | Cash. | | Bank. | |
|--------|----------------------------|-------|-------|--------|-------|--------|--------------------------|-------|-------|--------|-------|
| | | £ | s. d. | £ | s. d. | | | £ | s. d. | £ | s. d. |
| 19.. | To Balance . . . | 35 | — | 1,406 | — | 19.. | By A. Dean's Capital A/c | | | 510 | — |
| Jan. 1 | " F. Fir's Capital A/c . . | | — | 926 | — | Jan. 1 | (Amount withdrawn | | | | — |
| " 1 | (Amount brought in | | — | | — | " 1 | to reduce his Capital | 35 | — | 1,822 | — |
| | to raise Capital from | | — | | — | | from £5,886 to £5,376) | £35 | — | £2,332 | — |
| | £1,224 to £2,150) | | — | | — | | " Balance c/d . . | | | | — |
| Jan. 1 | To Balance b/d . . . | £35 | — | £2,332 | — | | | | | | — |
| | | £35 | — | £1,822 | — | | | | | | — |

MESSRS DEAN, GIBSON & FIR

BALANCE SHEET AS AT 1st JANUARY, 19..

| | | £ | | £ | | £ | | £ | | £ | |
|--------------------------|-------|---|-------|--------|-------|---------------------------|--|-------|-------|--------|-------|
| | | £ | s. d. | £ | s. d. | | | £ | s. d. | £ | s. d. |
| LIABILITIES. | | | | | | ASSETS. | | | | | |
| Bills Payable. . . | | | — | 657 | — | Cash . . . | | 35 | — | | — |
| Sundry Creditors . . . | | | — | 920 | — | Bank . . . | | 1,822 | — | | — |
| <i>Capital Accounts—</i> | | | | | | Sundry Debtors . . . | | 4,860 | — | 1,857 | — |
| A. Dean . . . | 5,376 | — | — | | | Less Bad Debts Reserve | | 243 | — | | — |
| B. Gibson . . . | 5,376 | — | — | | | Stock of Timber . . . | | | | 4,617 | — |
| F. Fir . . . | 2,150 | — | — | | | Goodwill . . . | | | | 2,720 | — |
| | | | | 12,902 | — | Furniture . . . | | | | 1,400 | — |
| | | | | | | Horses, Carts, and Wagons | | | | 105 | — |
| | | | | | | Plant and Tools . . . | | | | 1,720 | — |
| | | | | | | | | | | 2,060 | — |
| | | | | | | | | | | 14,479 | — |
| | | | | | | | | | | | — |

EXERCISE XII—No. 13.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|---|--------|----|----|--------|----|----|
| Jan. 1 | Goodwill Account | 8 | — | — | 8 | — | — |
| | To Difference in Books | | | | | | |
| | For transfer of balance. | | | | | | |
| | Reserve for Depreciation | 608 | — | — | | | |
| | Depreciation Account. . . . | 200 | — | — | | | |
| | To Plant and Machinery | | | | 808 | — | — |
| | For transfer of " Reserve for Depreciation," and a further depreciation of plant. | | | | | | |
| | Goodwill Account | 200 | — | — | | | |
| | To Depreciation | | | | 200 | — | — |
| | For transfer of balance. | | | | | | |
| | Depreciation Account. . . . | 200 | — | — | | | |
| | To Patents Account | | | | 200 | — | — |
| | For amount charged against depreciation to reduce value of patents. | | | | | | |
| | Goodwill Account | 200 | — | — | | | |
| | To Depreciation | | | | 200 | — | — |
| | For transfer of balance. | | | | | | |
| | | £1,416 | — | — | £1,416 | — | — |

OPENING ENTRIES

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|--------------------------------|---------|----|----|---------|----|----|
| Jan. 1 | Leasehold Factory | 12,540 | — | — | | | |
| | Machinery and Plant | 7,392 | — | — | | | |
| | Patents | 400 | — | — | | | |
| | Sundry Debtors. . . . | 1,560 | — | — | | | |
| | Stock | 1,458 | — | — | | | |
| | Goodwill | 4,868 | — | — | | | |
| | To Sundry Creditors | | | | 3,218 | — | — |
| | „ Peter White (vendor) | | | | 25,000 | — | — |
| | | £28,218 | — | — | £28,218 | — | — |

| Dr. | | CASH BOOK | | | | Cr. | | |
|--------|----------------------|-----------|----|----|--------|--------------------|---------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Jan. 1 | To Capital Accounts— | | | | Jan. 1 | By Peter White . . | 25,000 | — |
| | Smith | 12,000 | — | — | | (vendor) | | |
| | Brown | 10,000 | — | — | " 1 | „ Balance c/d . . | 3,000 | — |
| | Robinson | 6,000 | — | — | | | | |
| | | £28,000 | — | — | | | £28,000 | — |

EXERCISE XII—No. 13 (*contd.*).

MESSRS. SMITH, BROWN & ROBINSON
BALANCE SHEET AS AT 1ST JANUARY, 19..

| LIABILITIES. | | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|--------------------------|--|--------|----|----|---------|----|----|---------------------|----|---------|
| Sundry Creditors | | . | | — | 3,218 | — | — | Bank | . | 3,000 |
| <i>Capital Accounts—</i> | | | | | | | | Sundry Debtors | . | 1,560 |
| Smith | | 12,000 | — | — | | | | Stock | . | 1,458 |
| Brown | | 10,000 | — | — | | | | Goodwill | . | 4,868 |
| Robinson | | 6,000 | — | — | | | | Patents | . | 400 |
| | | | | | 28,000 | — | — | Machinery and Plant | . | 7,392 |
| | | | | | | | | Leasehold Factory | . | 12,540 |
| | | | | | £31,218 | — | — | | | £31,218 |

EXERCISE XII—No. 14.

P. CREW (DECEASED)

| 19.. | To Drawings | : | : | : | £ | s. | d. | 19.. | By Balance | : | : | : | £ | s. | d. |
|-----------|-------------|---|---|---|-------|----|----|---------|--|---|---|---|--------|----|----|
| Jan.—June | | | | | 720 | — | — | Jan. 1 | | | | | 3,000 | — | — |
| June 30 | Balance c/d | | | | 7,955 | 16 | — | June 30 | Interest (5% of £3,000 for 6 mos.) | | | | 75 | — | — |
| | | | | | | | | " 30 | Share of Profit ($\frac{1}{3}$ of £2,024) | | | | 404 | 16 | — |
| | | | | | | | | " 30 | Share of Policy ($\frac{1}{3}$ of £8,000) | | | | 3,200 | — | — |
| | | | | | | | | " 30 | Share of Goodwill | | | | 1,996 | — | — |
| | | | | | | | | | | | | | £8,675 | 16 | — |
| | | | | | | | | June 30 | By Balance b/d | | | | 7,955 | 16 | — |

Note.—The value of Goodwill is arrived at by method as below—

$$\frac{1}{3} \text{ of } [£2,073 + £2,458 + £2,024 + £930 \text{ (3 years' insurance premiums)} \div 3] \times 2$$

EXERCISE XII—No. 15.

Dr.

P. CREW (DECEASED) LOAN ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|--------|--|---------------|-----------|-----------|--------|-------------------------|---------------|-----------|-----------|
| Year 1 | To Cash ($\frac{1}{2}$ yr.'s instalmt.) | 1,000 | — | — | Year 1 | By Balance | 7,955 | 16 | — |
| | „ Balance c/d | 7,154 | 13 | 11 | | „ Interest (6 months) . | 198 | 17 | 11 |
| | | <u>£8,154</u> | <u>13</u> | <u>11</u> | | | <u>£8,154</u> | <u>13</u> | <u>11</u> |
| Year 2 | To Cash | 2,000 | — | — | Year 2 | By Balance b/d | 7,154 | 13 | 11 |
| | „ Balance c/d | 5,512 | 8 | 7 | | „ Interest (1 year) . . | 357 | 14 | 8 |
| | | <u>£7,512</u> | <u>8</u> | <u>7</u> | | | <u>£7,512</u> | <u>8</u> | <u>7</u> |
| Year 3 | To Cash | 2,000 | — | — | Year 3 | By Balance b/d | 5,512 | 8 | 7 |
| | „ Balance c/d | 3,788 | 1 | — | | „ Interest (1 year) . . | 275 | 12 | 5 |
| | | <u>£5,788</u> | <u>1</u> | <u>—</u> | | | <u>£5,788</u> | <u>1</u> | <u>—</u> |
| Year 4 | To Cash | 2,000 | — | — | Year 4 | By Balance b/d | 3,788 | 1 | — |
| | „ Balance c/d | 1,977 | 9 | 1 | | „ Interest (1 year) . . | 189 | 8 | 1 |
| | | <u>£3,977</u> | <u>9</u> | <u>1</u> | | | <u>£3,977</u> | <u>9</u> | <u>1</u> |
| Year 5 | To Cash | 2,000 | — | — | Year 5 | By Balance b/d | 1,977 | 9 | 1 |
| | „ Balance c/d | 76 | 6 | 6 | | „ Interest (1 year) . . | 98 | 17 | 5 |
| | | <u>£2,076</u> | <u>6</u> | <u>6</u> | | | <u>£2,076</u> | <u>6</u> | <u>6</u> |
| Year 6 | To Cash | 80 | 2 | 10 | Year 6 | By Balance b/d | 76 | 6 | 6 |
| | | <u>£80</u> | <u>2</u> | <u>10</u> | | „ Interest (1 year) . . | 3 | 16 | 4 |
| | | | | | | | <u>£80</u> | <u>2</u> | <u>10</u> |

EXERCISE XII—No. 16.

P. PORTER IN ACCOUNT CURRENT WITH E. HELM

| Date. | Particulars. | Amount. | Days. | Pro-ducts. | Date. | Particulars. | Amount. | Days. | Pro-ducts. |
|---------|-----------------------|---------|-------|------------|---------|------------------------|---------|-------|------------|
| 19.. | To Cash . | £ 550 | 305 | £ 167,750 | 19.. | By Cash (£ of £1,525). | £ 610 | 364 | £ 222,040 |
| Mar. 1 | " Sundry Creditors | 494 | 244 | 120,536 | Jan. 1 | " Furniture . | 124 | 364 | 45,136 |
| May 1 | (£ of £1,235) | | | | " | " (£ of £310) | | | |
| June 1 | " . | 650 | 213 | 138,450 | " | Goodwill . | 625 | 364 | 227,500 |
| Sept. 1 | " . | 750 | 121 | 90,750 | Sept. 1 | " Sundry Debtors . | 1,760 | 121 | 212,960 |
| Dec. 31 | " Balance of Products | | | 190,150 | " | " (£ of £4,400) | | | |
| " 31 | " Balance c/d . | 701 | 1 | | Dec. 31 | " Balance of Interest | 26 | 1 | |
| | | £3,145 | 1 | £707,636 | | | £3,145 | 1 | £707,636 |
| Dec. 31 | To Cash . | 701 | 1 | | Dec. 31 | By Balance b/d. | 701 | 1 | |

EXERCISE XII—No. 16 (*contd.*).

| <i>Dr.</i> PROFIT AND LOSS ADJUSTMENT ACCOUNT | | | | <i>Cr.</i> | | | |
|---|---------------------------|----------|--------------|----------------|--|---------|--------------|
| 19.. Jan. 1 | To Bad Debts (Loss) . . . | £ 224 | s. d. — — | 19.. Jan. 1 | By Discount on Creditors (GAIN) | £ 30 | s. d. — — |
| | „ Furniture (Loss) . . . | 26 | — — | | „ Capital Accounts— Porter, $\frac{1}{2}$ of loss . . . | 110 | — — |
| | | | | | Helm, $\frac{1}{2}$ of loss . . . | 110 | — — |
| | | £250 | — — | | | £250 | — — |

ADJUSTED BALANCE SHEET AS AT 1ST JANUARY, 19..

| LIABILITIES. | | | | ASSETS. | | | |
|------------------------|--|--------|-------|----------------------|--|--------|-------|
| | | £ | s. d. | | | £ | s. d. |
| Sundry Creditors . . . | | 1,235 | — — | Cash | | 1,525 | — — |
| Capital Accounts— | | | | Sundry Debtors . . . | | 4,400 | — — |
| E. Helm | | 3,000 | — — | Furniture | | 310 | — — |
| P. Porter | | 2,000 | — — | | | | |
| | | £6,235 | — — | | | £6,235 | — — |

EXERCISE XII—No. 17.

PROFIT AND LOSS ACCOUNT

| <i>Dr.</i> FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | <i>Cr.</i> | | | |
|---|--|--------|-------|--------------------------------|--|--------|-------|
| | | £ | s. d. | | | £ | s. d. |
| To Trading Account . . . | | 1,070 | — — | By Capital Accounts— | | | |
| „ Interest on Capitals— | | | | R. Rostron | | 1,036 | — — |
| R. Rostron | | 187 | 10 — | ($\frac{1}{2}$ share of loss) | | | |
| (5% of £3,750) | | | | T. Teale | | 259 | — — |
| T. Teale | | 37 | 10 — | ($\frac{1}{2}$ share of loss) | | | |
| (5% of £750) | | | | | | | |
| | | £1,295 | — — | | | £1,295 | — — |

| <i>Dr.</i> CAPITAL ACCOUNT—R. ROSTRON | | | | <i>Cr.</i> | | | |
|---------------------------------------|-------------------------|--------|-------|----------------|----------------------|--------|-------|
| | | £ | s. d. | | | £ | s. d. |
| 19.. Dec. 31 | To Drawings | 620 | — — | 19.. Jan. 1 | By Balance | 3,750 | — — |
| „ 31 | „ Profit and Loss . . . | 1,036 | — — | Dec. 31 | „ Interest | 197 | 10 — |
| | (Share of loss) | | | | | | |
| „ 31 | „ Balance c/d | 2,281 | 10 — | | | | |
| | | £3,937 | 10 — | | | £3,937 | 10 — |
| | | | | Dec. 31 | By Balance b/d . . . | 2,281 | 10 — |

EXERCISE XII—No. 17 (contd.).

| Dr. | | CAPITAL ACCOUNT—T. TEALE | | | | Cr. | | |
|---------|-------------------------|--------------------------|----|----|---------|----------------------|------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Dec. 31 | To Drawings | 350 | — | — | Jan. 1 | By Balance | 750 | — |
| " 31 | " Profit and Loss . . . | 259 | — | — | Dec. 31 | " Interest | 37 | 10 |
| | (Share of loss) | | | | | | | |
| " 31 | " Balance c/d | 178 | 10 | — | | | | |
| | | £787 | 10 | — | | | £787 | 10 |
| | | | | | Dec. 31 | By Balance b/d . . . | 178 | 10 |

EXERCISE XII—No. 18 (a).

PROFIT AND LOSS ACCOUNT

| Dr. | | FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | Cr. | | |
|-------------------------------------|--|--|----------|----------|----------------------|---------------|----------|----------|
| To Interest on Capital Accounts— | | £ | s. | d. | | £ | s. | d. |
| Austin (5% of £6,250) . . | | 312 | 10 | — | By Balance | 2,521 | 5 | — |
| Bell (5% of £4,500) . . . | | 225 | — | — | | | | |
| Cooper (5% of £4,500) . . | | 225 | — | — | | | | |
| „ Balance, Net Profit to Cap. A/cs: | | | | | | | | |
| Austin ($\frac{2}{3}$ share) } | | 1,758 | 15 | — | | | | |
| Bell ($\frac{1}{3}$ share) } | | | | | | | | |
| Cooper ($\frac{1}{3}$ share) } | | | | | | | | |
| | | <u>£2,521</u> | <u>5</u> | <u>—</u> | | <u>£2,521</u> | <u>5</u> | <u>—</u> |

| Dr. | | CAPITAL ACCOUNT—AUSTIN | | | | Cr. | | |
|---------|----------------------|------------------------|----------|----------|---------|-------------------------|---------------|----------|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Dec. 31 | To Balance c/d . . . | 7,316 | 5 | — | Jan. 1 | By Balance | 6,250 | — |
| | | | | | Dec. 31 | „ Interest | 312 | 10 |
| | | | | | „ 31 | „ Profit and Loss . . . | 753 | 15 |
| | | | | | | (Share of gain) | | |
| | | <u>£7,316</u> | <u>5</u> | <u>—</u> | | | <u>£7,316</u> | <u>5</u> |
| | | | | | Dec. 31 | By Balance b/d . . . | 7,316 | 5 |

| Dr. | | CAPITAL ACCOUNT—BELL | | | | Cr. | | |
|---------|-------------------------|----------------------|----|----|---------|-------------------------|--------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Dec. 31 | To Drawings | 350 | — | — | Jan. 1 | By Balance | 4,500 | — |
| " 31 | " Balance c/d | 4,877 | 10 | — | Dec. 31 | " Interest | 225 | — |
| | | | | | " 31 | " Profit and Loss . . . | 502 | 10 |
| | | | | | | (Share of profit) | | |
| | | £5,227 | 10 | — | | | £5,227 | 10 |
| | | | | | Dec. 31 | By Balance b/d | 4,877 | 10 |

Capital Account—Cooper. (Details same as Bell's.)

EXERCISE XII—No. 18 (b).

RATIO OF CAPITALS

Austin's share of Capital in new Partnership = $\frac{2}{3}$ of $\frac{7}{10}$ = $\frac{14}{30}$ Bell's share of Capital in new Partnership = $\frac{1}{3}$ of $\frac{7}{10}$ = $\frac{7}{30}$ Cooper's share of Capital in new Partnership = $\frac{1}{3}$ of $\frac{7}{10}$ = $\frac{7}{30}$ P. Peter's share (as agreed) = $\frac{1}{3}$ ∴ P. Peter's Capital will equal $\frac{1}{3}$ of $\frac{14}{30}$ share of Capital.∴ $\frac{1}{3}$ of £4,877 10s. = £2,438 15s., amount to be brought in by P. Peters.

EXERCISE XII—No. 19

CASH BOOK
(CREDIT SIDE)

| | | £ | s. | d. |
|--------|---------------------------------------|---------------|----|----|
| 19.. | | | | |
| Jan. 1 | By Balance (Bank Overdraft) | 6,000 | — | — |
| „ 1 | „ Balance c/d | 1,000 | — | — |
| | | <u>£7,000</u> | — | — |

(DEBIT SIDE)

| | | £ | s. | d. |
|--------|------------------------------|---------------|----|----|
| 19.. | | | | |
| Jan. 1 | To <i>Capital Accounts</i> — | | | |
| | A. | 3,500 | — | — |
| | B. | 3,500 | — | — |
| | | <u>£7,000</u> | — | — |
| 19.. | | | | |
| Jan. 1 | To Balance b/d | £1,000 | — | — |

B will hand A a cheque for his share of the profit, i.e. his share of the Goodwill of the business.

EXERCISE XII—No. 20.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|--|---------------|----|----|---------------|----|----|
| 19.. | | | | | | | |
| Apr. 25 | Goodwill Account | 4,250 | — | — | | | |
| | To <i>Capital Accounts</i> — | | | | | | |
| | M. Mason | | | | 3,500 | — | — |
| | B. Box | | | | 750 | — | — |
| | For amount of GOODWILL credited to M. Mason and B. Box. | | | | | | |
| „ 25 | <i>Capital Accounts</i> — | | | | | | |
| | M. Mason (5% of £6,500) | 325 | — | — | | | |
| | B. Box (5% of £5,750) | 287 | 10 | — | | | |
| | To Bad Debts Reserve | | | | 612 | 10 | — |
| | For debiting Capital Accounts their respective amounts of Bad Debts Reserve. | | | | | | |
| „ 25 | Profit and Loss Account | 1,650 | — | — | | | |
| | To M. Mason's Capital Account | | | | 1,650 | — | — |
| | Transfer of Balance. | | | | | | |
| | | <u>£6,512</u> | 10 | — | <u>£6,512</u> | 10 | — |

EXERCISE XII—No. 20 (*contd.*).

MESSRS. MASON & BOX

BALANCE SHEET AS AT 25TH APRIL 19..

| LIABILITIES. | | | | | | ASSETS. | | | | | |
|-------------------|----|----|----------|----|----|---------------------|--------|----|----------|----|----|
| £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| Creditors | | | 5,145 | — | — | Cash | 175 | — | | | |
| Capital Accounts— | | | | | | Bank | 3,850 | — | | | |
| M. Mason | | | 27,430 | — | — | Debtors | 12,250 | — | 4,025 | — | — |
| B. Box | | | 5,962 | 10 | — | Less Bad Debts Res. | 612 | 10 | | | |
| | | | | | | | | | 11,637 | 10 | — |
| | | | | | | Stocks | | | 8,625 | — | — |
| | | | | | | Goodwill | | | 4,250 | — | — |
| | | | | | | Buildings | | | 10,000 | — | — |
| | | | £ 38,537 | 10 | — | | | | £ 38,537 | 10 | — |

EXERCISE XII—No. 21.

| | |
|--|----------|
| A pays £5,000 for 12 months (contributed 1st Jan.) = | £ 60,000 |
| A pays £2,000 for 2 months (contributed 1st Nov.) = | 4,000 |

| | |
|---|-----------------|
| A's contribution = | 64,000 |
| B pays £4,000 for 9 months (contributed 1st Apr.) = | 36,000 |
| C pays £4,000 for 7 months (contributed 1st June) = | 28,000 |
| | <u>£128,000</u> |

| | | | |
|---|---------------|----|---|
| A's share of profit = $\frac{1\frac{2}{3}}{3\frac{2}{3}}$ of £2,520 = | 1,260 | — | — |
| B's share of profit = $\frac{9}{3\frac{2}{3}}$ of £2,520 = | 708 | 15 | — |
| C's share of profit = $\frac{7}{3\frac{2}{3}}$ of £2,520 = | 551 | 5 | — |
| | <u>£2,520</u> | — | — |

EXERCISE XII—No. 22.

W. Winder pays £2,205 for a $\frac{3}{4}$ share of 2 years' purchase price of the average of such profits.

$$\text{The value of the profits} = \frac{£2,205 \times 7}{3 \times 2} = £2,572/10/-.$$

S. Simpson's Capital in the new partnership is arrived at as under—

$\frac{1}{4}$ of £2,205 (sum paid by W. Winder for share of profits), i.e. £1,102/10/-,
deducted from £3,795 (equivalent of W. Winder's Capital) + £1,897/10/-
($\frac{1}{4}$ of £3,795) = £5,692/10/-.

S. Simpson's Capital before the NEW partnership was equal to £5,692/10/-,
less £1,102/10/-, i.e. £4,590.

EXERCISE XII—No. 23.

| <i>Dr.</i> BUSINESS PURCHASE ACCOUNT | | | | <i>Cr.</i> | | | |
|--------------------------------------|-------------------------|---------------|-------|------------|--------------------------|---------------|-------|
| | | £ | s. d. | | | £ | s. d. |
| Year 1 | To Cash | 1,000 | — | Year 1 | By X | 7,020 | — |
| | " Balance c/d | 6,371 | — | | " Interest | 351 | — |
| | | <u>£7,371</u> | — | | | <u>£7,371</u> | — |
| Year 2 | To Cash | 1,000 | — | Year 2 | By Balance b/d | 6,371 | — |
| | " Balance c/d | 5,689 | 11 | | " Interest | 318 | 11 |
| | | <u>£6,689</u> | 11 | | | <u>£6,689</u> | 11 |
| Year 3 | To Cash | 1,000 | — | Year 3 | By Balance b/d | 5,689 | 11 |
| | " Balance c/d | 4,974 | 7 | | " Interest | 284 | 9 |
| | | <u>£5,974</u> | 7 | | | <u>£5,974</u> | 7 |
| Year 4 | To Cash | 1,000 | — | Year 4 | By Balance b/d | 4,974 | 7 |
| | " Balance c/d | 4,222 | 14 | | " Interest | 248 | 14 |
| | | <u>£5,222</u> | 14 | | | <u>£5,222</u> | 14 |
| Year 5 | To Cash | 1,000 | — | Year 5 | By Balance b/d | 4,222 | 14 |
| | " Balance c/d | 3,433 | 17 | | " Interest | 211 | 2 |
| | | <u>£4,433</u> | 17 | | | <u>£4,433</u> | 17 |
| | | | | Year 6 | By Balance b/d | 3,433 | 17 |

| <i>Dr.</i> GOODWILL ACCOUNT | | | | <i>Cr.</i> | | | |
|-----------------------------|--------------------------|---------------|-------|------------|------------------------------|---------------|-------|
| | | £ | s. d. | | | £ | s. d. |
| Year 1 | To X | 2,000 | — | Year 1 | By Profit and Loss | 349 | 15 |
| | | | | | " Balance c/d | 1,650 | 5 |
| | | <u>£2,000</u> | — | | | <u>£2,000</u> | — |
| Year 2 | To Balance b/d | 1,650 | 5 | Year 2 | By Profit and Loss | 407 | 17 |
| | | | | | " Balance c/d | 1,242 | 7 |
| | | <u>£1,650</u> | 5 | | | <u>£1,650</u> | 5 |
| Year 3 | To Balance b/d | 1,242 | 7 | Year 3 | By Profit and Loss | 441 | 7 |
| | | | | | " Balance c/d | 801 | 2 |
| | | <u>£1,242</u> | 7 | | | <u>£1,242</u> | 7 |
| Year 4 | To Balance b/d | 801 | 2 | Year 4 | By Profit and Loss | 562 | 16 |
| | | | | | " Balance c/d | 238 | 3 |
| | | <u>£801</u> | 2 | | | <u>£801</u> | 2 |
| Year 5 | To Balance b/d | £238 | 3 | Year 5 | By Profit and Loss | £238 | 3 |

| <i>Dr.</i> PROFIT AND LOSS ACCOUNT (1ST YEAR) | | | | <i>Cr.</i> | | | |
|---|-----------------------|---------------|-------|------------|----------------------|---------------|-------|
| | | £ | s. d. | | | £ | s. d. |
| 19.. | To Interest | 351 | — | 19.. | By Balance | 1,750 | — |
| | " Goodwill | 349 | 15 | | | | |
| | " Balance | 1,049 | 5 | | | | |
| | (Net profit) | | | | | | |
| | | <u>£1,750</u> | — | | | <u>£1,750</u> | — |

EXERCISE XII—No. 23 (*contd.*).

PROFIT AND LOSS ACCOUNT

| <i>Dr.</i> | | | | (2ND YEAR) | | | | <i>Cr.</i> | | | |
|------------|---------------------|--------|----|------------|------|--------------------|--------|------------|----|--|--|
| 19.. | To Interest | £ | s. | d. | 19.. | By Balance | £ | s. | d. | | |
| | " Goodwill | | | | | | | | | | |
| | " Balance | | | | | | | | | | |
| | (Net profit) | | | | | | | | | | |
| | | £1,950 | — | — | | | £1,950 | — | — | | |

| <i>Dr.</i> | | | | (3RD YEAR) | | | | <i>Cr.</i> | | | |
|------------|---------------------|--------|----|------------|------|--------------------|--------|------------|----|--|--|
| 19.. | To Interest | £ | s. | d. | 19.. | By Balance | £ | s. | d. | | |
| | " Goodwill | | | | | | | | | | |
| | " Balance | | | | | | | | | | |
| | (Net profit) | | | | | | | | | | |
| | | £2,050 | — | — | | | £2,050 | — | — | | |

| <i>Dr.</i> | | | | (4TH YEAR) | | | | <i>Cr.</i> | | | |
|------------|---------------------|--------|----|------------|------|--------------------|--------|------------|----|--|--|
| 19.. | To Interest | £ | s. | d. | 19.. | By Balance | £ | s. | d. | | |
| | " Goodwill | | | | | | | | | | |
| | " Balance | | | | | | | | | | |
| | (Net profit) | | | | | | | | | | |
| | | £2,500 | — | — | | | £2,500 | — | — | | |

| <i>Dr.</i> | | | | (5TH YEAR) | | | | <i>Cr.</i> | | | |
|------------|---------------------|--------|----|------------|------|--------------------|--------|------------|----|--|--|
| 19.. | To Interest | £ | s. | d. | 19.. | By Balance | £ | s. | d. | | |
| | " Goodwill | | | | | | | | | | |
| | " Balance | | | | | | | | | | |
| | (Net profit) | | | | | | | | | | |
| | | £2,065 | — | — | | | £2,065 | — | — | | |

EXERCISE XII—No. 24.

PROFIT AND LOSS ACCOUNT

| <i>Dr.</i> | | | | FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | <i>Cr.</i> | | | |
|--------------------------|--|--|--|--|----|----|--|----------------------|--|--|--|
| To Capital Accounts— | | | | £ | s. | d. | | By Balance | | | |
| Cox, £ | | | | 800 | — | — | | 1,760 | | | |
| Mason, £ | | | | 600 | — | — | | | | | |
| Holding (agreed amount). | | | | 360 | — | — | | | | | |
| | | | | £1,760 | — | — | | £1,760 | | | |

EXERCISE XII—No. 25.

PROFIT AND LOSS ACCOUNT

| | £ | s. | d. | | £ | s. | d. |
|-------------------------------------|--------|----|----|--------------------------|--------|----|----|
| To Interest due to C. Carus's Loan. | 41 | 13 | 4 | By Trading A/c | 2,760 | - | - |
| „ Balance, Net Profit to Cap. A/cs | | | | | | | |
| C. Carus, $\frac{1}{2}$ £1,359/3/4 | | | | | | | |
| O. Kelly, $\frac{1}{2}$ £1,359/3/4 | | | | | | | |
| | 2,718 | 6 | 8 | | | | |
| | £2,760 | - | - | | £2,760 | - | - |

EXERCISE XII—No. 26.

PROFIT AND LOSS ACCOUNT

Dr. FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | £ | s. | d. | | £ | s. | d. |
|---|--------|----|----|--------------------------|--------|----|----|
| To Interest on Capital Accounts— | | | | By Balance | 2,050 | - | - |
| Hart (5% of £3,500) . . . | 175 | - | - | | | | |
| Capper (5% of £2,520) . . . | 126 | - | - | | | | |
| Bonar (5% of £1,740) . . . | 87 | - | - | | | | |
| „ Balance (Net profit) c/d . . . | 1,662 | - | - | | | | |
| | £2,050 | - | - | | £2,050 | - | - |
| To Capital Accounts— | | | | By Balance b/d | 1,662 | - | - |
| Hart (50% of 1st £1,000) . . . | 500 | - | - | | | | |
| Capper (30% of 1st £1,000) . . . | 300 | - | - | | | | |
| Bonar (20% of 1st £1,000) . . . | 200 | - | - | | | | |
| | 1,000 | - | - | | | | |
| To Capital Accounts— | | | | | | | |
| Hart ($\frac{1}{3}$ of £662) | 220 | 13 | 4 | | | | |
| Capper ($\frac{1}{3}$ of £662) | 220 | 13 | 4 | | | | |
| Bonar ($\frac{1}{3}$ of £662) | 220 | 13 | 4 | | | | |
| | £1,662 | - | - | | £1,662 | - | - |

Dr. CAPITAL ACCOUNT, HART Cr.

| | £ | s. | d. | | £ | s. | d. |
|-------------------------------|--------|----|----|--------------------------------------|--------|----|----|
| 19.. | | | | 19.. | | | |
| Dec. 31 To Drawings | 850 | - | - | Jan. 1 By Balance | 3,500 | - | - |
| „ 31 „ Balance c/d | 3,545 | 13 | 4 | Dec. 31 „ Interest | 175 | - | - |
| | | | | „ 31 „ Profit and Loss A/c | 720 | 13 | 4 |
| | | | | (Share of Profit) | | | |
| | £4,395 | 13 | 4 | | £4,395 | 13 | 4 |
| | | | | Dec. 31 By Balance b/d | 3,545 | 13 | 4 |

Dr. CAPITAL ACCOUNT, CAPPER Cr.

| | £ | s. | d. | | £ | s. | d. |
|-------------------------------|--------|----|----|--------------------------------------|--------|----|----|
| 19.. | | | | 19.. | | | |
| Dec. 31 To Drawings | 650 | - | - | Jan. 1 By Balance | 2,520 | - | - |
| „ 31 „ Balance c/d | 2,816 | 13 | 4 | Dec. 31 „ Interest | 126 | - | - |
| | | | | „ 31 „ Salary | 300 | - | - |
| | | | | „ 31 „ Profit and Loss A/c | 520 | 13 | 4 |
| | | | | (Share of Profit) | | | |
| | £3,466 | 13 | 4 | | £3,466 | 13 | 4 |
| | | | | Dec. 31 By Balance b/d | 2,816 | 13 | 4 |

EXERCISE XII—No. 26 (*contd.*).

| <i>Dr.</i> | | | | CAPITAL ACCOUNT, BONAR | | | | <i>Cr.</i> | | | |
|------------|-----------------------|--------|----|------------------------|---------|-------------------------|--------|------------|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Dec. 31 | To Drawings | 450 | — | — | Jan. 1 | By Balance | 1,740 | — | — | | |
| " 31 | " Balance c/d | 2,047 | 13 | 4 | Dec. 31 | " Interest | 87 | — | — | | |
| | | | | | " 31 | " Salary | 250 | — | — | | |
| | | | | | " 31 | " Profit and Loss A/c . | 420 | 13 | 4 | | |
| | | | | | | (Share of Profit) | | | | | |
| | | £2,497 | 13 | 4 | | | £2,497 | 13 | 4 | | |
| | | | | | Dec. 31 | By Balance b/d . . . | 2,047 | 13 | 4 | | |

EXERCISE XII—No. 27

STATEMENT OF ADJUSTED PROFITS

| | YEARS. | | | TOTAL. |
|---|--------|--------|--------|--------|
| | 1st | 2nd | 3rd | |
| Profits for 2nd and 3rd years | £ | £ | £ | £ |
| Add Interest recoverable from Flynn . . | 40 | 40 | 40 | 120 |
| " Salary recoverable from Flynn | 100 | 100 | 100 | 300 |
| | £140 | £2,889 | £3,645 | £6,674 |
| Less Loss of 1st year | | | | 560 |
| Total distributable Profits | | | | £6,114 |

| <i>Dr.</i> | | | | CAPITAL ACCOUNT, F. FLYNN | | | | <i>Cr.</i> | | | |
|------------|--------------------------|--------|----|---------------------------|------|-----------------------------------|--------|------------|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| | To Profit and Loss A/c . | 420 | — | — | | By Cash | 4,000 | — | — | | |
| | (Surcharge of sums | | | | | (Loan transferred) | | | | | |
| | paid in excess of | | | | | " Profit and Loss A/c . | 1,019 | — | — | | |
| | agreed new provision) | | | | | ($\frac{1}{3}$ share of adjusted | | | | | |
| | " Balance c/d | 4,599 | — | — | | profits) | | | | | |
| | | £5,019 | — | — | | | £5,019 | — | — | | |
| | | | | | | By Balance b/d . . . | 4,599 | — | — | | |

Note.—The Partners' Capital Accounts have been credited with profits on the basis of the adjusted profits.

If it is inferred that B. Bartle and W. West have withdrawn their respective shares of past years' profits, then the credit balance of £599 due to F. Flynn under the new scheme must be borne by B. Bartle and W. West in the ratio of their capitals, as under—

B. Bartle $\frac{2}{3}$, i.e. £359 8s. 0d., W. West $\frac{1}{3}$, i.e. £239 12s. 0d.

EXERCISE XII—No. 27 (*contd.*)

| <i>Dr.</i> CAPITAL ACCOUNT, B. BARTLE | | | | <i>Cr.</i> | | | |
|---------------------------------------|----------------------|----------|-------|------------|-----------------------------|----------|-------|
| 19.. | To Balance c/d . . . | £ | s. d. | 19.. | By Balance . . . | £ | s. d. |
| | | 15,057 | — | | " Profit and Loss A/c . . | 12,000 | — |
| | | | | | (Share of adjusted profits) | 3,057 | — |
| | | £ 15,057 | — | | | £ 15,057 | — |

| <i>Dr.</i> CAPITAL ACCOUNT, W. WEST | | | | <i>Cr.</i> | | | |
|-------------------------------------|----------------------|----------|-------|------------|-----------------------------|----------|-------|
| 19.. | To Balance c/d . . . | £ | s. d. | 19.. | By Balance . . . | £ | s. d. |
| | | 10,038 | — | | " Profit and Loss A/c . . | 8,000 | — |
| | | | | | (Share of adjusted profits) | 2,038 | — |
| | | £ 10,038 | — | | | £ 10,038 | — |

EXERCISE XII—No. 28.

| <i>Dr.</i> CAPITAL ACCOUNT, BROWN | | | | <i>Cr.</i> | | | |
|-----------------------------------|---|----------|-------|-------------------------------------|-------------------------|----------|-------|
| 19.. Dec. 31 | To Assignments— | £ | s. d. | 19.. Mar. 31 Sept. 30 " 30 | By Balance . . . | £ | s. d. |
| | (a) Eldest Son, $\frac{2}{3}$. . . | 4,000 | — | | " Share of Profit . . . | 9,000 | — |
| | (b) Other Children ($\frac{1}{3}$ of $\frac{2}{3}$ to each) | | | | " Cash | 675 | — |
| | (1) | 1,000 | — | | | 325 | — |
| | (2) | 1,000 | — | | | | |
| | (3) | 1,000 | — | | | | |
| | (4) | 1,000 | — | | | | |
| | " Balance c/d . . . | 2,000 | — | | | | |
| | | £ 10,000 | — | | | £ 10,000 | — |

See Advanced Accounts, page 95 (under Limited Partnership).

EXERCISE XII—No. 29.

The adjustments necessary in the accounts in order to avoid loss to M and N and a gain to K are as follows—

- (1) Create a Goodwill Account and credit M and N with their respective shares, and
- (2) Provide for interest on the partners' capital.

EXERCISE XII—No. 30. JOURNAL

| | | £ | s. d. | £ | s. d. |
|--------|---|-------|-------|-------|-------|
| 19.. | | | | | |
| Jan. 1 | Land and Buildings | £ 250 | — | | |
| " 1 | Capital Account, A | 730 | — | | |
| | To Plant | | | 180 | — |
| | " Sundry Debtors | | | 500 | — |
| | " Stock | | | 300 | — |
| | For NET LOSS on revaluation of assets transferred to A as per agreement. | £ 980 | — | £ 980 | — |

EXERCISE XII—No. 30 (contd.).

| Dr. | | CASH BOOK | | | | Cr. | | |
|--------|---------------------------|---------------|----|----|--------|------------------------|---------------|----|
| | | £ | s. | d. | | £ | s. | d. |
| 19.. | | | | | 19.. | | | |
| Jan. 1 | To Balance | 600 | — | — | Jan. 1 | By A's Capital Account | 270 | — |
| " 1 | " " C's Capital Account . | 1,000 | — | — | " 1 | (Amount withdrawn) | | — |
| | | | | | " 1 | " Balance c/d | 1,330 | — |
| | | <u>£1,600</u> | — | — | | | <u>£1,600</u> | — |

MESSRS. A B & C
BALANCE SHEET AS AT 1ST JANUARY, 19..

| LIABILITIES. | | £ | s. | d. | £ | s. | d. | ASSETS. | | £ | s. | d. |
|---------------------------------------|-------|---|----|----|--------|----|----|--------------------------------------|--|--------|----|----|
| Creditors and Bills Payable | | | | | 3,000 | — | — | Bank | | 1,330 | — | — |
| Capital Accounts— | | | | | | | | Debtors and Bills Receivable | | 2,000 | — | — |
| A | 3,000 | — | — | | | | | Stock | | 1,800 | — | — |
| B | 2,000 | — | — | | | | | Plant | | 1,620 | — | — |
| C | 1,000 | — | — | | | | | Buildings | | 2,250 | — | — |
| | | | | | 6,000 | — | — | | | | | |
| | | | | | £9,000 | — | — | | | £9,000 | — | — |

EXERCISE XIII—No. 1.

| Dr. | | REALIZATION ACCOUNT | | | | Cr. | | | |
|---------|--|---------------------|----|----|---------|------------------------|--------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 31 | To Sundry Assets . . . | 4,370 | — | — | Dec. 31 | By Cash | 4,792 | — | — |
| " 31 | " Cash (Expenses) . . . | 87 | — | — | " 31 | " Discounts Received . | 38 | — | — |
| " 31 | " Balance (Profit) to Capital Accounts— | | | | | | | | |
| | B. Black, $\frac{1}{2}$ £186 $\frac{1}{2}$ | | | | | | | | |
| | W. White, $\frac{1}{2}$ £186 $\frac{1}{2}$ | | | | | | | | |
| | | 373 | — | — | | | | | |
| | | £4,830 | — | — | | | £4,830 | — | — |

| Dr. | | CASH BOOK | | | | | | Cr. | |
|---------|-------------------------|-----------|----|----|---------|-------------------------|-------|-----|----|
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | | | | | 19.. | | | | |
| Dec. 31 | To Balance | 120 | — | — | Dec. 31 | By Sundry Creditors. . | 442 | — | — |
| " 31 | " Realization A/c . . . | 4,792 | — | — | " 31 | " Realization (Exps.) . | 87 | — | — |
| | | | | | " 31 | " B. Black | 3,236 | 10 | — |
| | | | | | " 31 | " W. White | 1,146 | 10 | — |
| | | 4,912 | — | — | | | 4,912 | — | — |

Note.—The amounts paid out to B. Black and W. White are equal to their original Capitals *plus* their respective shares of PROFIT on Realization.

EXERCISE XIII—No. 2.

| <i>Dr.</i> | | REALIZATION ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|------------------------|---------------------|----|----|------|----------------------------|---------------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| | To Sundry Assets . . . | 5,500 | — | — | | By Cash | 4,880 | — | — |
| | „ Cash (Expenses) . . | 230 | — | — | | „ Discounts Received . | 100 | — | — |
| | | | | | | „ Balance (Loss) to | | | |
| | | | | | | Capital Accounts— | | | |
| | | | | | | Black, $\frac{1}{2}$. . . | £375 | | |
| | | | | | | White, $\frac{1}{2}$. . . | £375 | | |
| | | | | | | | 750 | — | — |
| | | <u>£5,730</u> | — | — | | | <u>£5,730</u> | — | — |

| <i>Dr.</i> | | CASH BOOK | | | | <i>Cr.</i> | | | |
|------------|-------------------------|---------------|----|----|------|-------------------------|---------------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| | To Balance | 400 | — | — | | By Creditors | 1,700 | — | — |
| | „ Realization A/c . . . | 4,880 | — | — | | „ Realization (Exps.) . | 230 | — | — |
| | | | | | | „ Capital Accounts— | | | |
| | | | | | | Black | 2,525 | — | — |
| | | | | | | White | 825 | — | — |
| | | <u>£5,280</u> | — | — | | | <u>£5,280</u> | — | — |

Note.—The amounts paid out to Black and White are equal to their original Capital less their respective shares of Loss on Realization.

EXERCISE XIII—No. 3.

| <i>Dr.</i> | | BLACK & WHITE'S BOOKS | | | | <i>Cr.</i> | | | |
|------------|----------------------------------|-------------------------|----|----|---------|----------------------|---------------|----|----|
| | | PROFIT AND LOSS ACCOUNT | | | | | | | |
| 19.. | To <i>Capital Accounts</i> — | £ | s. | d. | 19.. | By Balance | £ | s. | d. |
| Dec. 31 | Black, $\frac{1}{2}$ share . . . | 500 | — | — | Dec. 31 | | 1,000 | — | — |
| | White, $\frac{1}{2}$ share . . . | 500 | — | — | | | | | |
| | | <u>£1,000</u> | — | — | | | <u>£1,000</u> | — | — |
| 19.. | To <i>Capital Accounts</i> — | | | | 19.. | By Balance | | | |
| Dec. 31 | Black, $\frac{1}{2}$ share . . . | 600 | — | — | Dec. 31 | | 1,200 | — | — |
| | White, $\frac{1}{2}$ share . . . | 600 | — | — | | | | | |
| | | <u>£1,200</u> | — | — | | | <u>£1,200</u> | — | — |
| 19.. | To <i>Capital Accounts</i> — | | | | 19.. | By Balance | | | |
| Dec. 31 | Black, $\frac{1}{2}$ share . . . | 675 | — | — | Dec. 31 | | 1,350 | — | — |
| | White, $\frac{1}{2}$ share . . . | 675 | — | — | | | | | |
| | | <u>£1,350</u> | — | — | | | <u>£1,350</u> | — | — |

| <i>Dr.</i> | | BLACK'S BOOKS | | | | <i>Cr.</i> | |
|------------|-------------------------|------------------|----|----|--|------------|--|
| | | GOODWILL ACCOUNT | | | | | |
| 19.. | To W. White's Capital . | £ | s. | d. | | | |
| Dec. 31 | (For purchase of | 1,800 | — | — | | | |
| | W. White's share | | | | | | |
| | of Goodwill) | | | | | | |

EXERCISE XIII—No. 3 (contd.).

CAPITAL ACCOUNTS

| Dr. | | BLACK | | | | Cr. | | |
|---------|-----------------------|--------|----|----|---------|-----------------------|--------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Dec. 31 | To Drawings | 500 | — | — | Jan. 1 | By Balance | 3,000 | — |
| " 31 | " Balance c/d | 3,000 | — | — | Dec. 31 | " Profit and Loss . . | 500 | — |
| | | £3,500 | — | — | | | £3,500 | — |
| 19.. | | | | | 19.. | | | |
| Dec. 31 | To Drawings | 500 | — | — | Jan. 1 | By Balance b/d . . . | 3,000 | — |
| " 31 | " Balance c/d | 3,100 | — | — | Dec. 31 | " Profit and Loss . . | 600 | — |
| | | £3,600 | — | — | | | £3,600 | — |
| 19.. | | | | | 19.. | | | |
| Dec. 31 | To Drawings | 500 | — | — | Jan. 1 | By Balance b/d . . . | 3,100 | — |
| " 31 | " Balance c/d | 3,275 | — | — | Dec. 31 | " Profit and Loss . . | 675 | — |
| | | £3,775 | — | — | | | £3,775 | — |
| | | | | | Dec. 31 | By Balance b/d . . . | 3,275 | — |
| | | | | | | (at end of 3 years) | | |

| Dr. | | | | WHITE | | | | Cr. | | | |
|---------|-----------------------------------|--------|----|-------|---------|--|--------|-----|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Dec. 31 | To Drawings | 650 | — | — | Jan. 1 | By Balance | 4,000 | — | — | | |
| " 31 | " Balance c/d | 3,850 | — | — | Dec. 31 | " Profit and Loss . . | 500 | — | — | | |
| | | £4,500 | — | — | | | £4,500 | — | — | | |
| 19.. | | | | | 19.. | | | | | | |
| Dec. 31 | To Drawings | 650 | — | — | Jan. 1 | By Balance b/d . . . | 3,850 | — | — | | |
| " 31 | " Balance c/d | 3,800 | — | — | Dec. 31 | " Profit and Loss . . | 600 | — | — | | |
| | | £4,450 | — | — | | | £4,450 | — | — | | |
| 19.. | | | | | 19.. | | | | | | |
| Dec. 31 | To Drawings | 650 | — | — | Jan. 1 | By Balance b/d . . . | 3,800 | — | — | | |
| " 31 | " Balance c/d | 3,825 | — | — | Dec. 31 | " Profit and Loss . . | 675 | — | — | | |
| | | £4,475 | — | — | | | £4,475 | — | — | | |
| 19.. | | | | | 19.. | | | | | | |
| Dec. 31 | To Balance | 5,625 | — | — | Dec. 31 | By Balance b/d . . . | 3,825 | — | — | | |
| | (Amount due and payable to White) | | | | | (at end of 3 years) | | | | | |
| | | | | | " 31 | " Black (White's share of Goodwill taken over) | 1,800 | — | — | | |
| | | £5,625 | — | — | | | £5,625 | — | — | | |

EXERCISE XIII—No. 4.

(A) Each partner will receive CASH equal to the amount of his CAPITAL ACCOUNT as per Balance Sheet.

(B) As "A," and an additional sum to each partner as follows—

Robinson, £75 (being $\frac{1}{12}$)
 Larkin, £60 (being $\frac{1}{12}$)
 Sparrow, £45 (being $\frac{1}{12}$) } of £180 (Profit on Realization).

(C) Each partner will receive a sum equal to Capital as per Balance Sheet LESS £1,040 13s. 4d., the Loss on Realization being £3,122.

EXERCISE XIII—No. 5.

| <i>Dr.</i> | | REALIZATION ACCOUNT | | | | <i>Cr.</i> | |
|------------|--|---------------------|--------|----|------|--|------------|
| 19.. | To Sundry Assets . . . (Equal to TOTAL of Capitals and other Liabilities) | £ | s. | d. | 19.. | By Cash | £ s. d. |
| | | 10,250 | — | — | | „ Balance (Loss) to Capital Accounts— Hawker, $\frac{1}{8}$ £2,416 | 7,230 — — |
| | | | | | | Haigh, $\frac{1}{8}$ £604 | — — — |
| | | | | | | | 3,020 — — |
| | | £ | 10,250 | — | | £ | 10,250 — — |
| | | | | | | | |

| <i>Dr.</i> | | CASH BOOK | | | | <i>Cr.</i> | |
|------------|------------------------|-----------|-------|----|------|------------------------|-----------|
| 19.. | To Realization Account | £ | s. | d. | 19.. | By Sundry Creditors. . | £ s. d. |
| | | 7,230 | — | — | | „ Advances— | 4,250 — — |
| | | | | | | „ Hawker. | 1,500 — — |
| | | | | | | „ Haigh | 196 — — |
| | | | | | | „ Capital Account— | — — — |
| | | | | | | „ Hawker. | 1,284 — — |
| | | £ | 7,230 | — | | £ | 7,230 — — |
| | | | | | | | |

| <i>Dr.</i> | | CAPITAL ACCOUNT, HAWKER | | | | <i>Cr.</i> | |
|------------|---|-------------------------|-------|----|------|----------------------|-----------|
| 19.. | To Realization Account (Share of loss) | £ | s. | d. | 19.. | By Balance | £ s. d. |
| | „ Cash | 2,416 | — | — | | | 3,700 — — |
| | | 1,284 | — | — | | | — — — |
| | | £ | 3,700 | — | | | £ |
| | | | | | | | 3,700 — — |
| | | | | | | | |

| <i>Dr.</i> | | HAWKER (ADVANCE) | | | | <i>Cr.</i> | |
|------------|-------------------|------------------|----|----|------|-------------------|-----------|
| 19.. | To Cash | £ | s. | d. | 19.. | By Cash | £ s. d. |
| | | £1,500 | — | — | | | £ |
| | | | | | | | 1,500 — — |
| | | | | | | | |

| <i>Dr.</i> | | CAPITAL ACCOUNT, HAIGH | | | | <i>Cr.</i> | |
|------------|---|------------------------|-----|----|------|------------------------|---------|
| 19.. | To Share of Loss on Realization. | £ | s. | d. | 19.. | By Balance | £ s. d. |
| | | 604 | — | — | | „ Transfer to Loan A/c | 550 — — |
| | | | | | | | 54 — — |
| | | £ | 604 | — | | £ | 604 — — |
| | | | | | | | |

| <i>Dr.</i> | | HAIGH (ADVANCE) | | | | <i>Cr.</i> | |
|------------|--|-----------------|-----|----|------|-------------------|---------|
| 19.. | To Transfer from Capital „ Cash | £ | s. | d. | 19.. | By Cash | £ s. d. |
| | | 54 | — | — | | | £ |
| | | 196 | — | — | | | 250 — — |
| | | £ | 250 | — | | | £ |
| | | | | | | | 250 — — |
| | | | | | | | |

EXERCISE XIII—No. 6.

| <i>Dr.</i> | | | | REALIZATION ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|-----------------------|----------|------|---------------------|------|--|----------|------------|------|--|--|
| 19.. | To Sundry Assets . . | £ 19,520 | s. — | d. — | 19.. | By Cash | £ 18,995 | s. — | d. — | | |
| | „ Cash (Expenses) . . | 110 | — | — | | „ Balance (Loss) to Capital Accounts— Rogers, £381 Hawley, £254 | 635 | — | — | | |
| | | £ 19,630 | — | — | | | £ 19,630 | — | — | | |

| <i>Dr.</i> | | | | CASH BOOK | | | | <i>Cr.</i> | | | |
|------------|-----------------------|----------|------|-----------|------|---|----------|------------|------|--|--|
| 19.. | To Balance | £ 2,000 | s. — | d. — | 19.. | By Sundry Creditors . . | £ 7,820 | s. — | d. — | | |
| | „ Realization Account | 18,995 | — | — | | „ Realization (Exp.) . . | 110 | — | — | | |
| | | | | | | „ Capital Accounts— Rogers | 8,119 | — | — | | |
| | | | | | | Hawley | 5,246 | — | — | | |
| | | £ 20,995 | — | — | | | £ 20,995 | — | — | | |

Note.—Each partner receives a Cash payment equal to original Capital less share of Loss on Realization.

EXERCISE XIII—No. 7.

| <i>Dr.</i> | | | | CASH BOOK | | | | <i>Cr.</i> | | | |
|------------|------------------------|----------|------|-----------|------|--|----------|------------|------|--|--|
| 19.. | To Realization A/c . . | £ 16,144 | s. — | d. — | 19.. | By Creditors | £ 6,230 | s. — | d. — | | |
| | | | | | | „ Loan Account . . . | 650 | — | — | | |
| | | | | | | „ Capital Accounts— Linton, £3,860 Price, £3,088 Westerby, £2,316 | 9,264 | — | — | | |
| | | £ 16,144 | — | — | | | £ 16,144 | — | — | | |

EXERCISE XIII—No. 8.

| <i>Dr.</i> | | | | REALIZATION ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|-----------------------|----------|------|---------------------|------|---|----------|------------|------|--|--|
| 19.. | To Sundry Assets . . | £ 13,280 | s. — | d. — | 19.. | By Cash | £ 12,843 | s. — | d. — | | |
| | „ Cash (Expenses) . . | 85 | — | — | | „ Balance (Loss) to Capital Accounts— Wood, £222 Harrison, £184 Batty, £116 | 522 | — | — | | |
| | | £ 13,365 | — | — | | | £ 13,365 | — | — | | |

EXERCISE XIII—No. 8 (*contd.*).

| Dr. | | CASH BOOK | | | | Cr. | | |
|------|-----------------------|-----------|--------|----|------|-----------------------------|-------|--------|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| | To Balance | 475 | — | — | | By Creditors | 2,755 | — |
| | „ Realization Account | 12,843 | — | — | | „ Realization A/c | 85 | — |
| | | | | | | „ Capital Accounts— | | |
| | | | | | | Wood | 4,768 | — |
| | | | | | | Harrison | 3,326 | — |
| | | | | | | Batty | 2,384 | — |
| | | £ | 13,318 | — | | | £ | 13,318 |

EXERCISE XIII—No. 9.

| <i>Dr.</i> | | REALIZATION ACCOUNT | | | | <i>Cr.</i> | | |
|------------|------------------------|---------------------|----|----|------|---------------------------------|--------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| | To Sundry Assets . . . | 4,450 | — | — | | By Cash | 2,020 | — |
| | | | | | | ” <i>Capital Accounts</i> — | | |
| | | | | | | Partridge, $\frac{2}{3}$ £1,620 | | |
| | | | | | | Paterson, $\frac{1}{3}$ £ 810 | | |
| | | | | | | | 2,430 | — |
| | | £4,450 | — | — | | | £4,450 | — |

| <i>Dr.</i> | | CAPITAL ACCOUNT, PARTRIDGE | | | | <i>Cr.</i> | | | |
|------------|--------------------------|----------------------------|----|----|------|--------------------------|--------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| | To Realization | 1,620 | — | — | | By Balance | 4,000 | — | — |
| | (Share of loss) | | | | | | | | |
| | „ Balance c/d | 2,380 | — | — | | | | | |
| | | £4,000 | — | — | | | £4,000 | — | — |
| | | | | | | By Balance b/d | 2,380 | — | — |

| <i>Dr.</i> | | CAPITAL ACCOUNT, PATERSON (Overdrawn) | | | | <i>Cr.</i> | | |
|------------|--------------------------|--|----|----|------|-------------------------|------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| | To Realization | 810 | — | — | | By Balance | 450 | — |
| | (Share of loss) | | | | | „ Balance c/d | 360 | — |
| | | £810 | — | — | | | £810 | — |
| | To Balance b/d | 360 | — | — | | | | |

EXERCISE XIII—No. 10.

| <i>Dr.</i> | | CASH BOOK | | | | <i>Cr.</i> | |
|------------|---|-----------|--------|------|--|------------|--------|
| | | Bank. | | | | Bank. | |
| 19.. | To Balance (NET amount on Sale of Business) | £ | s. d. | 19.. | By Creditors " Loan (FINCHLEY'S) . . " Capital Accounts— Finchley Williams | £ | s. d. |
| | | 13,660 | — — | | | 4,520 | — — |
| | | | | | | 1,500 | — — |
| | | | | | | 5,710 | — — |
| | | | | | | 1,930 | — — |
| | | £ | 13,660 | — — | | £ | 13,660 |
| | | | | | | | |

Note.—The NET sum received on sale of the business represented a GAIN of £390, i.e. the difference between £13,660 and £13,270 (value of business sold). The profit on Realization is shared by the partners as follows—

Finchley receives $\frac{2}{3}$ or £260.

Williams receives $\frac{1}{3}$ or £130.

The above sums would be received in addition to original capitals.

EXERCISE XIII—No. 11.

| <i>Dr.</i> | | PROFIT ON REALIZATION ACCOUNT | | | | <i>Cr.</i> | |
|------------|--|-------------------------------|-------|------|--------------------|------------|-------|
| 19.. | To Capital Accounts— X, $\frac{1}{3}$ share Y, $\frac{1}{3}$ share Z, $\frac{1}{3}$ share | £ | s. d. | 19.. | By Balance | £ | s. d. |
| | | 260 | — — | | | 520 | — — |
| | | 156 | — — | | | | |
| | | 104 | — — | | | | |
| | | £520 | — — | | | £520 | — — |
| | | | | | | | |

| <i>Dr.</i> | | CASH BOOK | | | | <i>Cr.</i> | |
|------------|--------------------|-----------|--------|------|---|------------|--------|
| 19.. | To Balance | £ | s. d. | 19.. | By Creditors " Capital Accounts— X, $\frac{1}{3}$ Y, $\frac{1}{3}$ | £ | s. d. |
| | | 11,550 | — — | | | 464 | — — |
| | | | | | | 6,080 | — — |
| | | | | | | 5,006 | — — |
| | | £ | 11,550 | — — | | £ | 11,550 |
| | | | | | | | |

| <i>Dr.</i> | | CAPITAL ACCOUNT, X | | | | <i>Cr.</i> | |
|------------|--|--------------------|-------|------|--|------------|-------|
| 19.. | To Z's Capital ($\frac{1}{3}$ share) | £ | s. d. | 19.. | By Balance " Profit on Realization (Share of profit) | £ | s. d. |
| | | 180 | — — | | | 6,000 | — — |
| | " Cash | 6,080 | — — | | | 260 | — — |
| | | £6,260 | — — | | | £6,260 | — — |
| | | | | | | | |

EXERCISE XIII—No. 11 (contd.).

| Dr. | | CAPITAL ACCOUNT, Y | | | | Cr. | | | |
|------|---|------------------------------------|-------------------|-------------------|------|---|------------------------------------|-------------------|-------------------|
| 19.. | To Z's Capital ($\frac{1}{2}$ share) ,, Cash | £ 150 5,006 <u>£5,156</u> | s. — — — | d. — — — | 19.. | By Balance ,, Profit on Realization (Share of profit) | £ 5,000 156 <u>£5,156</u> | s. — — — | d. — — — |

| Dr. | | CAPITAL ACCOUNT, Z | | | | Cr. | | |
|------|----------------------|--------------------|---------|---------|------|--|-------------------------|------------------------|
| | | (Overdrawn) | | | | | | |
| 19.. | To Balance | £ 434 | s. — | d. — | 19.. | By Profit on Realization (Share of profit) " Capital Accounts— X, $\frac{1}{2}$ share £180 Y, $\frac{1}{2}$ share £150 — 330 | £ 104 — — — | s. — — — — |
| | | £434 | — | — | | | £434 | — |
| | | — | — | — | | | — | — |

EXERCISE XIII—No. 12.

| Dr. | | REALIZATION ACCOUNT | | | | Cr. | | | |
|------|--|---------------------|--------------|--------------|------|---|---------------------------------|-------------------|-------------------|
| 19.. | To Sundry Assets . . . ,, Cash (Expenses) . . | £ 14,680 185 | s. — — | d. — — | 19.. | By Cash ,, Balance (Loss) to Deficiency A/c— X, $\frac{1}{2}$. . . £570 Y, $\frac{1}{2}$. . . £380 Z, $\frac{1}{2}$. . . £190 | £ 13,725 1,140 £14,865 | s. — — — | d. — — — |
| | | £ 14,865 | — | — | | | £ 14,865 | — | — |

| Dr. | | DEFICIENCY ACCOUNT | | | | Cr. | | | |
|------|--|--------------------|---------|---------|------|--|----------------------------------|------------------------|------------------------|
| 19.. | To Realization Account (For loss on Realiza- tion transferred) | £ 1,140 | s. — | d. — | 19.. | By Cash— X 570 Y 380 Z 190 (Amount trans- ferred to his over- drawn account) | £ 570 380 190 £1,140 | s. — — — — | d. — — — — |
| | | £1,140 | — | — | | | £1,140 | — | — |

EXERCISE XIII—No. 12 (contd.).

| Dr. | | CASH BOOK | | | Cr. | | | | |
|------|---|-----------|--------|----|------|----------------------------------|--------|--------|----|
| 19.. | To Balance | £ | s. | d. | 19.. | By Bills Payable | £ | s. | d. |
| | „ Realization A/c | 425 | — | — | | „ Bank Overdraft | 805 | — | — |
| | „ Z (amount received from his estate) | 13,725 | — | — | | „ Sundry Creditors | 2,000 | — | — |
| | „ Deficiency— | 90 | — | — | | „ Realization (Exps.) | 1,650 | — | — |
| | X, | £570 | | | | „ Capital Accounts— | 185 | — | — |
| | Y, | £380 | | | | X, $\frac{3}{5}$ share | £6,330 | | |
| | | | 950 | — | | Y, $\frac{2}{5}$ share | £4,220 | | |
| | | £ | 15,190 | — | | | 10,550 | — | — |
| | | | | | | | £ | 15,190 | — |

Notes.—(1) X receives CASH as above, i.e. £6,330; but as this amount includes his contribution on Deficiency, he receives only £5,760.

Y receives £4,220, which, as in the case of X, includes his contribution on Deficiency, therefore he receives only £3,840.

(2) Z's (overdrawn) account is equal to £350 + £190 (his share of Deficiency) less £90, £450, which sum is borne by X and Y in the ratio of their Capitals, i.e. X bears $\frac{3}{5}$, £270; Y bears $\frac{2}{5}$, £180.

EXERCISE XIII—No. 13.

| CAPITAL ACCOUNTS | | | | | | | | | |
|------------------|--------------------------|--------|----|----|------|----------------------------------|--------|----|----|
| Dr. | | | | A | | Cr. | | | |
| 19.. | To C's Capital | £ | s. | d. | 19.. | By Balance | £ | s. | d. |
| | ($\frac{3}{5}$ share) | 138 | 17 | 9 | | „ Realization | 5,000 | — | — |
| | „ Cash | 5,611 | 2 | 3 | | ($\frac{1}{3}$ share of profit) | 750 | — | — |
| | | £5,750 | — | — | | | £5,750 | — | — |

| Dr. | | | | B | | Cr. | | | |
|------|--------------------------|--------|----|----|------|----------------------------------|--------|----|----|
| 19.. | To C's Capital | £ | s. | d. | 19.. | By Balance | £ | s. | d. |
| | ($\frac{3}{5}$ share) | 111 | 2 | 3 | | „ Realization | 4,000 | — | — |
| | „ Cash | 4,388 | 17 | 9 | | ($\frac{1}{3}$ share of profit) | 500 | — | — |
| | | £4,500 | — | — | | | £4,500 | — | — |

| Dr. | | | | C (Overdrawn) | | Cr. | | | |
|------|----------------------|------|----|------------------|------|----------------------------------|------|----|----|
| 19.. | To Balance | £ | s. | d. | 19.. | By Realization | £ | s. | d. |
| | | 500 | — | — | | ($\frac{1}{3}$ share of profit) | 250 | — | — |
| | | | | | | „ Capital Accounts— | | | |
| | | | | | | A, $\frac{3}{5}$ share | 138 | 17 | 9 |
| | | | | | | B, $\frac{2}{5}$ share | 111 | 2 | 3 |
| | | £500 | — | — | | | £500 | — | — |

Notes.—(1) The Profit on Realization is £1,500 based on the difference between Purchase Price of £10,000 + Liabilities of £370 and total Assets £8,870.

(2) The balance of Realization A/c is shared by partners in the same ratio as profits.

(3) C's NET deficiency is borne by A and B in the ratio of their Capitals, i.e. A bears $\frac{3}{5}$ and B $\frac{2}{5}$.

EXERCISE XIII—No. 14.

| Dr. | | | | DEFICIENCY ACCOUNT | | | | Cr. | | | |
|------|--------------------|------|----|--------------------|------|-------------------------------|------|-----|----|--|--|
| 19.. | To Balance | £ | s. | d. | 19.. | By Cash— | £ | s. | d. | | |
| | | 700 | — | — | | Hawker | 300 | — | — | | |
| | | | | | | Joycelyn | 200 | — | — | | |
| | | | | | | „ Balance transferred | | | | | |
| | | | | | | to Capital A/c— | | | | | |
| | | | | | | Temple $\frac{2}{3}$. . £200 | 200 | — | — | | |
| | | £700 | — | — | | | £700 | — | — | | |

| Dr. | | CASH BOOK | | | Cr. | | | | |
|------|------------------------|-----------|----|----|------|---------------------|--------|----|----|
| 19.. | To Balance | £ | s. | d. | 19.. | By Capital Account— | £ | s. | d. |
| | „ Deficiency | 900 | — | — | | Hawker | 1,400 | — | — |
| | (Sum brought in | 300 | — | — | | | | | |
| | by Hawker) | | | | | | | | |
| | do. Joycelyn | 200 | — | — | | | | | |
| | | £1,400 | — | — | | | £1,400 | — | — |

| <i>Dr.</i> | | CAPITAL ACCOUNT, HAWKER | | | <i>Cr.</i> | | | | |
|------------|---------------------|-------------------------|----|----|------------|--------------------|---------------|----|----|
| 19.. | To Capital Account— | £ | s. | d. | 19.. | By Balance | £ | s. | d. |
| | Temple | 400 | — | — | | | 1,800 | — | — |
| | „ Cash | 1,400 | — | — | | | | | |
| | | <u>£1,800</u> | — | — | | | <u>£1,800</u> | — | — |

EXERCISE XIII—No. 15.

The answer to this question is adequately dealt with at the end of *Advanced Accounts*.

EXERCISE XIII—No. 16.

| <i>Dr.</i> | | | REALIZATION ACCOUNT | | | <i>Cr.</i> | | |
|------------|------------------------|---------|---------------------|------|------|---|---------|------|
| 19.. | To Sundry Assets . . . | £ 7,000 | s. — | d. — | 19.. | By Cash | £ 6,300 | s. — |
| | " Cash (Expenses) . . | 300 | — | — | | " Discounts Received . | 100 | — |
| | | | | | | " Balance (Loss) to Deficiency A/c . . . | 900 | — |
| | | £7,300 | — | — | | | £7,300 | — |

| <i>Dr.</i> | | | DEFICIENCY ACCOUNT | | | <i>Cr.</i> | | |
|------------|--|-------|--------------------|------|------|--|------|-------|
| 19.. | To Realization Account (Transfer of loss) | £ 900 | s. — | d. — | 19.. | By Cash— | £ | s. d. |
| | | | | | | Brown | 450 | — |
| | | | | | | Jones | 300 | — |
| | | | | | | " Robinson | 150 | — |
| | | | | | | (For transfer to his overdrawn a/c) | | |
| | | £900 | — | — | | | £900 | — |

| <i>Dr.</i> | | | CASH BOOK | | | <i>Cr.</i> | | |
|------------|--|---------|-----------|------|------|--|---------|------|
| 19.. | To Balance | £ 1,400 | s. — | d. — | 19.. | By Sundry Creditors . . | £ 2,900 | s. — |
| | " Realization Account . | 6,300 | — | — | | " Realization Account. (Expenses) | 300 | — |
| | " Capital Account— | | | | | " Loan on Mortgage . . | 400 | — |
| | Robinson | 216 | 13 | 4 | | | 3,600 | — |
| | (For dividend of 6/8 in £ from his estate) | | | | | " Capital Accounts— | | |
| | " Deficiency Account: | | | | | Brown, £3,229 1/2 | | |
| | Brown . . . £450 | | | | | Jones, £1,837 1/2 | | |
| | Jones . . . £300 | | | | | | 5,068 | 13 4 |
| | | 750 | — | — | | | £8,666 | 13 4 |
| | | £8,666 | 13 | 4 | | | | |

| <i>Dr.</i> | | | CAPITAL ACCOUNT, BROWN | | | <i>Cr.</i> | | |
|------------|-------------------|---------|------------------------|------|------|----------------------|---------|------|
| 19.. | To Cash | £ 2,500 | s. — | d. — | 19.. | By Balance | £ 2,500 | s. — |

| <i>Dr.</i> | | | DRAWINGS ACCOUNT, BROWN | | | <i>Cr.</i> | | |
|------------|-------------------------|--------|-------------------------|------|------|----------------------|---------|------|
| 19.. | To Robinson's O/drawn . | £ 270 | s. 16 | d. 8 | 19.. | By Balance | £ 1,000 | s. — |
| | " Cash | 729 | 3 | 4 | | | £1,000 | — |
| | | £1,000 | — | — | | | | |

EXERCISE XIII—No. 16 (*contd.*).

| Dr. | CAPITAL ACCOUNT, JONES | | | | | | Cr. |
|------|------------------------|----------|-----------|-----------|------|----------------------|-----------|
| 19.. | | <u>£</u> | <u>s.</u> | <u>d.</u> | 19.. | <u>£</u> | <u>s.</u> |
| | To Cash | 1,500 | - | - | | By Balance | 1,500 |
| | | 1,500 | - | - | | | 1,500 |

| Dr. | | DRAWINGS ACCOUNT, JONES | | | | | | Cr. | |
|------|-----------------------|-------------------------|----|----|------|--------------------|------|-----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| | To Robinson's O/drawn | 162 | 10 | — | | By Balance | 500 | — | — |
| | „ Cash | 337 | 10 | — | | | | | |
| | | £500 | — | — | | | £500 | — | — |

| Dr. | | CAPITAL ACCOUNT, ROBINSON | | | | | | Cr. | |
|------|---------------------|---------------------------|----|----|------|----------------------------|------|-----|----|
| | | (Overdrawn) | | | | | | | |
| 19.. | To Balance | £ | s. | d. | 19.. | By Cash | £ | s. | d. |
| | „ Deficiency. . . . | 500 | — | — | | „ Drawings Accounts— | 216 | 13 | 4 |
| | | 150 | — | — | | Brown, £270/16/8 | | | |
| | | | | | | Jones, 162/10/— | | | |
| | | | | | | | 433 | 6 | 8 |
| | | £650 | — | — | | | £650 | — | — |

EXERCISE XIII—No. 17.

| Dr. | | REALIZATION ACCOUNT | | | | | | Cr. | | | |
|------|------------------------|---------------------|--------|----|----|------|---|-----|--------|----|----|
| 19.. | To Sundry Assets . . . | £ | 18,282 | s. | d. | 19.. | By Cash . . . | £ | 8,600 | s. | d. |
| | „ Cash (Expenses) . . | | 300 | | — | | „ Balance (Loss) to Profit and Loss A/c | | 9,982 | | — |
| | | £ | 18,582 | | — | | | £ | 18,582 | | — |

| Dr. | | PROFIT AND LOSS ACCOUNT | | | | Cr. | |
|------|---|-------------------------|------|------|------|---|--|
| 19.. | To Realization Account (Loss on Realization transferred) | £ 9,982 | s. — | d. — | 19.. | By Sundry Creditors. " Capital Accounts— Morgan, £ 4,788 Newell, £ 2,394 7,182 £ 9,982 | £ 2,800 — — — — — — — — — — |
| | | £ 9,982 | — | — | | 7,182 £ 9,982 | — — — — |

EXERCISE XIII—No. 17 (*contd.*).

| <i>Dr.</i> | | CASH BOOK | | | | <i>Cr.</i> | |
|------------|-----------------------|-----------|-------|------|----------------------------|------------|-------|
| 19.. | To Balance | £ 800 | s. d. | 19.. | By Realization (Exps.) . . | £ 300 | s. d. |
| | „ Realization A/c . . | 8,600 | — — | | „ Sundry Creditors. . . | 9,200 | — — |
| | | £9,500 | — — | | | £9,500 | — — |

Note.—The creditors receive a dividend of 15s. 4d. in the £, i.e. $\frac{£9,200}{£12,000}$ to each creditor.

| <i>Dr.</i> | | CAPITAL ACCOUNT, MORGAN | | <i>Cr.</i> | | | |
|------------|---|-------------------------|--------------|------------|--|------------|--------------|
| 19.. | To Profit and Loss A/c . (Share of loss) | £ 4,788 | s. d. - - | 19.. | By Balance | £ 4,720 | s. d. - - |
| | | | | | „ Balance (due from Newell) | 68 | - - |
| | | £4,788 | - - | | | £4,788 | - - |

| <i>Dr.</i> | | CAPITAL ACCOUNT, NEWELL | | | | <i>Cr.</i> | | | |
|------------|------------------------|-------------------------|----|----|------|----------------------|--------|----|----|
| 19.. | To Profit and Loss . . | £ | s. | d. | 19.. | By Balance | £ | s. | d. |
| | " Balance | 2,394 | — | — | | | 2,462 | — | — |
| | (due to Morgan) | 68 | — | — | | | | | |
| | | £2,462 | — | — | | | £2,462 | — | — |

| <i>Dr.</i> | | SUNDRY CREDITORS | | | | <i>Cr.</i> | | | | | |
|------------|-----------------------|------------------|--------|----|----|------------|----------------------|---|--------|----|----|
| 19.. | To Cash | £ | 9,200 | s. | d. | 19.. | By Balance | £ | 12,000 | s. | d. |
| | „ Profit and Loss . . | | 2,800 | — | — | | | | | — | — |
| | | £ | 12,000 | — | — | | | £ | 12,000 | — | — |

| Dr. | | SUNDRY DEBTORS | | | | Cr. | | | |
|------|----------------------|----------------|----|----|------|------------------------|-------|----|----|
| 19.. | To Balance | £ | s. | d. | 19.. | By Realization A/c . . | £ | s. | d. |
| | | 4,082 | - | - | | | 4,082 | - | - |

| Dr. | | STOCK ACCOUNT | | | | Cr. | | | | | |
|------|----------------------|---------------|-------|----|----|------|------------------------|---|-------|----|----|
| 19.. | To Balance | £ | 4,320 | s. | d. | 19.. | By Realization A/c . . | £ | 4,320 | s. | d. |
| | | | | | | | | | | | |

EXERCISE XIII—No. 17 (*contd.*).

| <i>Dr.</i> | | FIXTURES AND FITTINGS ACCOUNT | | | | | | <i>Cr.</i> | | | | | | | |
|------------|--------------------|-------------------------------|-------|----|---|----|---|------------|------------------------|---|-------|----|---|----|---|
| 19.. | To Balance | £ | 3,080 | s. | — | d. | — | 19.. | By Realization A/c . . | £ | 3,080 | s. | — | d. | — |
| | | | | | | | | | | | | | | | |
| <hr/> | | | | | | | | | | | | | | | |
| <i>Dr.</i> | | GOODWILL ACCOUNT | | | | | | <i>Cr.</i> | | | | | | | |
| 19.. | To Balance | £ | 6,800 | s. | — | d. | — | 19.. | By Realization A/c . . | £ | 6,800 | s. | — | d. | — |
| | | | | | | | | | | | | | | | |

EXERCISE XIII—No. 18.

| <i>Dr.</i> | | REALIZATION ACCOUNT | | | | | | <i>Cr.</i> | | | |
|------------|-----------------------------|---------------------|--------|----|----|------|------------------------|------------|--------|----|----|
| 19.. | To Sundry Assets . . | £ | 9,900 | s. | d. | 19.. | By Cash | £ | 10,500 | s. | d. |
| | „ Cash (Expenses) . . | | 64 | — | — | | „ Discounts Received . | | 40 | — | — |
| | „ Capital Accounts— | | | | | | | | | | |
| | Wyatt, $\frac{1}{2}$. £288 | | | | | | | | | | |
| | Dawson, $\frac{1}{2}$. 288 | | | | | | | | | | |
| | | | 576 | — | — | | | | | | |
| | | £ | 10,540 | — | — | | | £ | 10,540 | — | — |

| Dr. | | CASH BOOK | | | | | | Cr. | | | | | | | |
|------|-----------------------|-----------|--------|----|---|----|---|------|-------------------------|---|--------|----|---|----|---|
| 19.. | To Balance | £ | 1,000 | s. | — | d. | — | 19.. | By Sundry Creditors. | £ | 860 | s. | — | d. | — |
| | „ Realization Account | | 10,500 | — | — | | | | „ Realization (Exps.) . | | 64 | — | — | | |
| | | | | | | | | | „ Capital Accounts— | | | | | | |
| | | | | | | | | | Wyatt . . .£6,288 | | | | | | |
| | | | | | | | | | Dawson. .£4,288 | | | | | | |
| | | | | | | | | | | | 10,576 | — | — | | |
| | | £ | 11,500 | — | — | | | | | £ | 11,500 | — | — | | |

| <i>Dr.</i> | | CAPITAL ACCOUNT, WYATT | | | | | | <i>Cr.</i> | | | | | | | |
|------------|-------------------|------------------------|--------|----|---|----|---|------------|------------------------|---|--------|----|---|----|---|
| 19.. | To Cash | £ | 6,288 | s. | — | d. | — | 19.. | By Balance | £ | 6,000 | s. | — | d. | — |
| | | | | | | | | | „ Realization Account. | | 288 | — | — | | |
| | | | | | | | | | (Share of profit) . | | | | | | |
| | | | £6,288 | — | — | | | | | | £6,288 | — | — | | |

| <i>Dr.</i> | | CAPITAL ACCOUNT, DAWSON | | | | | | <i>Cr.</i> | | | | | | | |
|------------|-------------------|-------------------------|--------|----|---|----|---|------------|-----------------------|---|--------|----|---|----|---|
| 19.. | To Cash | £ | 4,288 | s. | — | d. | — | 19.. | By Balance | £ | 4,000 | s. | — | d. | — |
| | | | | | | | | | „ Realization | | 288 | — | — | | |
| | | | | | | | | | (Share of profit) | | | | | | |
| | | | £4,288 | — | — | | | | | | £4,288 | — | — | | |

EXERCISE XIII—No. 18 (*contd.*).

| <i>Dr.</i> | | | SUNDRY CREDITORS | | | <i>Cr.</i> | | |
|------------|---|-------|------------------|------|------|----------------------|-------|------|
| 19.. | To Cash | £ 860 | s. — | d. — | 19.. | By Balance | £ 900 | s. — |
| | „ Realization Account (Discts.transferred) | 40 | — | — | | | | — |
| | | £900 | — | — | | | £900 | — |
| | | | | | | | | |

| <i>Dr.</i> | | | SUNDRY DEBTORS | | | <i>Cr.</i> | | |
|------------|----------------------|---------|----------------|------|------|------------------------|---------|------|
| 19.. | To Balance | £ 1,900 | s. — | d. — | 19.. | By Realization A/c . . | £ 1,900 | s. — |
| | | | | | | | | — |
| | | | | | | | | |

| <i>Dr.</i> | | | STOCK ACCOUNT | | | <i>Cr.</i> | | |
|------------|----------------------|---------|---------------|------|------|------------------------|---------|------|
| 19.. | To Balance | £ 5,000 | s. — | d. — | 19.. | By Realization A/c . . | £ 5,000 | s. — |
| | | | | | | | | — |
| | | | | | | | | |

| <i>Dr.</i> | | | FIXTURES AND FITTINGS ACCOUNT | | | <i>Cr.</i> | | |
|------------|----------------------|---------|-------------------------------|------|------|------------------------|---------|------|
| 19.. | To Balance | £ 1,000 | s. — | d. — | 19.. | By Realization A/c . . | £ 1,000 | s. — |
| | | | | | | | | — |
| | | | | | | | | |

| <i>Dr.</i> | | | LEASE ACCOUNT | | | <i>Cr.</i> | | |
|------------|----------------------|---------|---------------|------|------|------------------------|---------|------|
| 19.. | To Balance | £ 2,000 | s. — | d. — | 19.. | By Realization A/c . . | £ 2,000 | s. — |
| | | | | | | | | — |
| | | | | | | | | |

EXERCISE XIII—No. 19.

JOURNAL ENTRY

| | | £ | s. | d. | £ | s. | d. |
|--------|--|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Jan. 1 | <i>Capital Accounts—</i> | | | | | | |
| | Johnson ($\frac{1}{3}$ of £1,200) . . . | 400 | — | — | | | |
| | Moore ($\frac{1}{3}$ of £1,200) . . . | 300 | — | — | | | |
| | Elliott ($\frac{1}{3}$ of £1,200) . . . | 300 | — | — | | | |
| | Graham ($\frac{1}{3}$ of £1,200) . . . | 200 | — | — | | | |
| | <i>To Capital Accounts—</i> | | | | | | |
| | Johnson (5% of £8,500) . . . | | | | 425 | — | — |
| | Moore (5% of £5,500) . . . | | | | 275 | — | — |
| | Elliott (5% of £5,500) . . . | | | | 275 | — | — |
| | Graham (5% of £4,500) . . . | | | | 225 | — | — |
| | | £1,200 | — | — | £1,200 | — | — |

EXERCISE XIII—No. 20.

$$\begin{aligned}
 \text{X's Capital} &= £8,000 + \frac{8}{18} \text{ of } £1,300 \text{ (goodwill)} = 8,800 \\
 \text{Y's Capital} &= £5,000 + \frac{8}{18} \text{ of } £1,300 \text{ (goodwill)} = 5,500 \\
 \text{Z's Capital} &= £4,600 - £1,300 \text{ (goodwill)} = 3,300 \\
 &\underline{\underline{£17,600}}
 \end{aligned}$$

∴ The proportions in which profit will be shared are as under—

X will receive $\frac{8}{18}$ share.
 Y will receive $\frac{8}{18}$ share.
 Z will receive $\frac{3}{18}$ share.

EXERCISE XIII—No. 21 (*contd.*).

MESSRS. FARMER & RIGHT

BALANCE SHEET AS AT 31ST DECEMBER, 19..

[illegible]

EXERCISE XIII—No. 23 (contd.).

| Dr. | | MOTOR VEHICLES | | | | 5 | Cr. | | | |
|-----------------|----------------------|----------------|----------|----------|-----------------|----------------------------|--------------|----------|----------|--|
| 19.. Aug. 31 | To Balance . . . b/d | £ | s. | d. | 19.. Aug. 31 | By Realization A/c . . . 9 | £ | s. | d. | |
| | | <u>1,400</u> | <u>—</u> | <u>—</u> | | | <u>1,400</u> | <u>—</u> | <u>—</u> | |

| Dr. | | SUNDRY CREDITORS | | | | 6 | Cr. | | | |
|-----------------|---|------------------|----|----|-----------------|--------------------------|--------|----|----|--|
| 19.. Aug. 31 | To Cash 1 | £ | s. | d. | 19.. Aug. 31 | By Balance b/d | £ | s. | d. | |
| | " P. & L. on Realization Account . . . 10 | 2,201 | — | — | | | 3,459 | — | — | |
| | | 1,258 | — | — | | | | | | |
| | | £3,459 | — | — | | | £3,459 | — | — | |

| Dr. | | HARDY—CAPITAL ACCOUNT | | | | | 7 | Cr. | | | |
|-----------------|-----------------------------------|-----------------------|------|----|----|-----------------|------------------------|-----|------|----|----|
| 19.. Aug. 31 | To P.&L. on Realization A/c . . . | 10 | £ | s. | d. | 19.. Aug. 31 | By Balance . . . | b/d | £ | s. | d. |
| | | | 744 | — | — | | „ Ivor—Capital A/c . . | 8 | 708 | — | — |
| | | | £744 | — | — | | | | 36 | — | — |
| | | | | | | | | | £744 | — | — |

| Dr. | | IVOR—CAPITAL ACCOUNT | | | | 8 | Cr. | | | | |
|-----------------|---------------------------------|----------------------|-------------|----|----|-----------------|--------------|-----|-------------|----|----|
| 19.. Aug. 31 | To P. & L. on Realization A/c . | 10 | £ | s. | d. | 19.. Aug. 31 | By Balance . | b/d | £ | s. | d. |
| | „ Hardy—Capita A/c . | 7 | 372 | — | — | | | | 408 | — | — |
| | | | 36 | — | — | | | | | | |
| | | | <u>£408</u> | — | — | | | | <u>£408</u> | — | — |

| Dr. | | REALIZATION ACCOUNT | | | | 9 | Cr. | | | | |
|-----------------|----------------------------------|---------------------|--------|----|----|-----------------|---|----|--------|----|----|
| 19.. Aug. 31 | To Sundry Debtors | 2 | £ | s. | d. | 19.. Aug. 31 | By Cash | 1 | £ | s. | d. |
| | " Stock | 3 | 215 | — | — | | " Balance to P. & L. on Realization Account | 10 | 2,040 | — | — |
| | " Fixtures | 4 | 860 | — | — | | | | 2,374 | — | — |
| | " Motor Vehicles | 5 | 1,900 | — | — | | | | | | |
| | " Cash—Realiza- tion Expenses | 1 | 1,400 | — | — | | | | | | |
| | | | 39 | — | — | | | | | | |
| | | | £4,414 | — | — | | | | £4,414 | — | — |

| Dr. | | PROFIT AND LOSS ON REALIZATION ACCOUNT | | | | | | 10 | Cr. | |
|-----------------|----------------------------|--|----------|----------|-----------------|-----------------------------|---------------|----------|----------|--|
| 19.. Aug. 31 | To Realization A/c . . . 9 | £ | s. | d. | 19.. Aug. 31 | By Sundry Creditors . . . 6 | £ | s. | d. | |
| | | 2,374 | — | — | | " Capital: Hardy . . . 7 | 1,258 | — | — | |
| | | | | | | " Capital: Ivor . . . 8 | 744 | — | — | |
| | | | | | | | 372 | — | — | |
| | | <u>£2,374</u> | <u>—</u> | <u>—</u> | | | <u>£2,374</u> | <u>—</u> | <u>—</u> | |

The dividend paid to creditors is £²²⁰¹₃₄₅₉ 12/8¹/₂ in the £.

EXERCISE XIII—No. 24.

Dr.

GOODWILL ACCOUNT

Cr.

| | 1928 Jan. 1 | 1936 Dec. 31 | 1936 Dec. 31 | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---|----------------|-----------------|-----------------|--------|----|----|---|----|----|--------|----|----|
| To A: Capital Account | . | . | . | 4,000 | — | — | | | | | | |
| " B: Capital Account | . | . | . | 2,000 | — | — | | | | | | |
| To Profit on sale taken by partners as follows— | | | | | | | | | | | | |
| A: | . | . | . | 1,416 | 13 | 4 | | | | 1,666 | 13 | 4 |
| B: | . | . | . | 1,133 | 6 | 8 | | | | 1,333 | 6 | 8 |
| C: | . | . | . | 850 | — | — | | | | 1,000 | — | — |
| " Cash | . | . | . | 3,400 | — | — | | | | 4,000 | — | — |
| | | | | £9,400 | — | — | | | | 5,400 | — | — |
| | | | | | | | | | | £9,400 | — | — |

STATEMENT SHOWING NET AMOUNT GAINED OR LOST BY EACH PARTNER IN RESPECT OF GOODWILL

| | A | | | B | | | C | | |
|---|-------|----|----|---|----|----|---|----|----|
| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| 1924 Jan. 1 | 1,500 | — | — | | | | | | |
| 1928 Jan. 1 | 4,000 | — | — | | | | | | |
| 1936 Dec. 31 | 1,416 | 13 | 4 | | | | | | |
| Cash received from B | | | | | | | | | |
| Amount of Goodwill brought into books | | | | | | | | | |
| Share of profit on sale of Goodwill | | | | | | | | | |
| Less cash paid for share of Goodwill | | | | | | | | | |
| " share of amount written off Goodwill | | | | | | | | | |
| Respective gains by A and B and loss by C | | | | | | | | | |

KEY TO ADVANCED ACCOUNTS

345

EXERCISE XIII—No. 25.

| | |
|---|-------------|
| (1) Expenses for the year | £1,939 |
| (2) Net Profit before charging Partners' Interest | £1,639 |
| (3) Balance of— | |
| Current Account X | £230 |
| Current Account Y | £74 |
| | <u>£304</u> |
| Proof { Assets | £6,651 |
| Liabilities (as per Question) | £6,347 |
| Amount as above | <u>£304</u> |

EXERCISE XIII—No. 26.

PROFIT AND LOSS ACCOUNT

| Dr. | | | | Cr. | | | |
|-------------------------------------|---------------|----------|----------|-------------------------------|---------------|----------|----------|
| PROFIT AND LOSS ACCOUNT | | | | | | | |
| FOR HALF-YEAR ENDED 30TH JUNE, 19.. | | | | | | | |
| To Interest on Capital Accounts— | | | | By Balance | | | |
| T. Fisher | £ | s. | d. | " Interest on H. Gray's Over- | £ | s. | d. |
| (5% of £3,650 for 6 mos.) | 91 | 5 | — | drawn— | 1,256 | — | — |
| D. Green | 91 | 5 | — | (£250 for 6 mos. @ 5%). | 6 | 5 | — |
| (5% of £3,650 for 6 mos.) | | | | (£65 for 3 mos. @ 5%). | 16 | 3 | |
| " Balance, Net Profit to Cap. A/cs. | 360 | 3 | 9 | | | | |
| T. Fisher (½ share) | 360 | 3 | 9 | | | | |
| D. Green (½ share) | 360 | 3 | 9 | | | | |
| H. Gray (½ share) | | | | | | | |
| | <u>£1,263</u> | <u>1</u> | <u>3</u> | | <u>£1,263</u> | <u>1</u> | <u>3</u> |

CAPITAL ACCOUNTS

| T. FISHER (CREDIT SIDE) | | | | D. GREEN (CREDIT SIDE) | | | |
|-------------------------|-------------------|---------------|----------|------------------------|-------------------|---------------|----------|
| 19.. | By Balance | £ | s. | 19.. | By Balance | £ | s. |
| Jan. 1 | Interest | 3,650 | — | Jan. 1 | Interest | 3,650 | — |
| June 30 | Profit and Loss | 91 | 5 | June 30 | Profit and Loss | 91 | 5 |
| " 30 | (Share of profit) | 360 | 3 | " 30 | (Share of profit) | 360 | 3 |
| | | | | | | | |
| | | 4,101 | 8 | | Less Drawings | 4,101 | 8 |
| | | 250 | — | | | 250 | — |
| | | <u>£3,851</u> | <u>8</u> | | | <u>£3,851</u> | <u>8</u> |

| Dr. | | | | H. GRAY (Overdrawn) | | | | Cr. | | | |
|---------|------------------------|------|----|---------------------|---------|----------------------------|------|-----|----|--|--|
| 19.. | To Balance | £ | s. | d. | 19.. | By Profit and Loss | £ | s. | d. | | |
| Jan. 1 | " Drawings | 250 | — | — | June 30 | (Share of profit) | 360 | 3 | 9 | | |
| June 30 | " Interest | 355 | 7 | 1 | " 30 | " Balance c/d | 251 | 17 | 6 | | |
| " 30 | | £612 | 1 | 3 | | | £612 | 1 | 3 | | |
| June 30 | To Balance b/d | 251 | 17 | 6 | | | | | | | |

EXERCISE XIII—No. 27.

PROFIT AND LOSS ACCOUNT

| <i>Dr.</i> | FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | <i>Cr.</i> |
|--|--|----|----|------------|
| To Interest on Capital Accounts— | £ | s. | d. | |
| Cowan (5% of £5,450) . . . | 272 | 10 | — | |
| Bennett (5% of £4,520) . . . | 226 | — | — | |
| „ Loan Interest (due to Bennett). | 37 | 10 | — | |
| „ Partnership Salary | 300 | — | — | |
| (due to Bennett) | | | | |
| „ Rent (due to Cowan). | 500 | — | — | |
| „ Balance, <i>Net Profit to Cap. A/cs:</i> | | | | |
| Cowan ($\frac{1}{2}$ share) | 657 | — | — | |
| Bennett ($\frac{1}{2}$ share) | 657 | — | — | |
| | <u>£2,650</u> | — | — | |
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CAPITAL ACCOUNTS

| BENNETT (CREDIT SIDE) | | | | COWAN (CREDIT SIDE) | | | |
|-----------------------|-----------------------------|--------|-------|---------------------|-------------------------|--------|-------|
| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
| Jan. 1 | By Balance | 4,520 | — | Jan. 1 | By Balance | 5,450 | — |
| 1 | „ Cash (loan) | 1,000 | — | Dec. 31 | „ Interest | 272 | 10 |
| Dec. 31 | „ Interest | 226 | — | 31 | „ Rent | 500 | — |
| 31 | „ Loan Interest | 37 | 10 | 31 | „ Profit and Loss . . . | 657 | — |
| 31 | „ Salary | 300 | — | | (Share of profit) | | |
| 31 | „ Profit and Loss | 657 | — | | | | |
| | (Share of profit) | | | | | | |
| | | £6,740 | 10 | | | £6,879 | 10 |

EXERCISE XIII—No. 28.

JOURNAL

| | | | | | | |
|---|--------|----|----|--------|----|----|
| Goodwill Account | £ | s. | d. | £ | s. | d. |
| To A. Aplin's Capital Account, $\frac{2}{5}$. . | 2,000 | — | — | 1,200 | — | — |
| „ C. Charles's Capital Account, $\frac{2}{5}$. . | | | | 800 | — | — |
| For their respective shares of goodwill. | | | | | | |
| | £2,000 | — | — | £2,000 | — | — |

(Dr. SIDE)

CASH BOOK

| | | | | | | |
|--|--|--|--|--|-------|-------|
| | | | | | | Bank. |
| | | | | | £ | s. d. |
| | To P. Paton's Capital Account | | | | 1,500 | — — |
| | <i>Allocation of Profits are as under—</i> | | | | | |
| | A. Aplin's share will be $\frac{2}{5}$ of $\frac{2}{5} = \frac{4}{25}$ | | | | | |
| | C. Charles's share will be $\frac{2}{5}$ of $\frac{2}{5} = \frac{4}{25}$ | | | | | |
| | P. Paton (as agreed) will take $\frac{1}{5}$ or $\frac{4}{25}$ | | | | | |

EXERCISE XIII—No. 29.

| <i>Dr.</i> | | CASH BOOK | | | | <i>Cr.</i> | | | |
|------------|---------------------------------|-----------|----|----|------|-------------------------|--------|----|----|
| | | Bank. | | | | Bank. | | | |
| 19.. | To M. Marsden's Capital | £ | s. | d. | 19.. | By B. Blackburn's Cap.. | £ | s. | d. |
| | „ B. Blackburn's Cap.. | 1,560 | — | — | | (Share of Goodwill | 160 | — | — |
| | ($\frac{3}{4}$ of premium paid | 160 | — | — | | withdrawn) | | | |
| | for Goodwill) | | | | | „ P. Pinner's Capital | 80 | — | — |
| | „ P. Pinner's Capital | 80 | — | — | | (Share of Goodwill | | | |
| | ($\frac{1}{4}$ of premium paid | | | | | withdrawn) | | | |
| | for Goodwill) | | | | | „ Balance c/d . . . | 1,560 | — | — |
| | | £1,800 | — | — | | | £1,800 | — | — |
| | To Balance b/d . . . | 1,560 | — | — | | | | | |

EXERCISE XIII—No. 30.

CASH BOOK
(DEBIT SIDE)

| | Bank. | | |
|---------------------------------------|--------|----|----|
| | £ | s. | d. |
| To R. Reid's Capital | 1,560 | — | — |
| „ G. Gardner's Capital | 160 | — | — |
| (For $\frac{2}{3}$ share of premium) | | | |
| „ C. Campbell's Capital | 80 | — | — |
| (For $\frac{1}{3}$ share of premium). | | | |
| | £1,800 | — | — |

EXERCISE XIV—No. 1.

| <i>Dr.</i> | | BRANCH ACCOUNT | | | | | <i>Cr.</i> | | |
|------------|------------------------|------------------------|-----|----|----|-----------------|------------|----|----|
| 19.. | | | £ | s. | d. | | | | |
| Mar. 1 | To Goods to Branches . | | 950 | — | — | | | | |
| | | | | | | | | | |
| <i>Dr.</i> | | GOODS SENT TO BRANCHES | | | | | <i>Cr.</i> | | |
| | | | | | | 19.. | £ | s. | d. |
| | | | | | | Mar. 1 | 950 | — | — |
| | | | | | | By Branch A/c . | | | |

EXERCISE XIV—No. 2.

| <i>Dr.</i> | | BRANCH ACCOUNT | | | | | <i>Cr.</i> | | |
|------------|--|----------------|-----|----|----|---------|---------------------|-------|------|
| 19.. | | | £ | s. | d. | 19.. | £ | s. | d. |
| Jan. 1 | To Balance . | | 816 | 10 | 2 | Dec. 31 | By Cash . | 6,871 | 16 8 |
| Dec. 31 | " Goods from H.O. . | 5,508 | 15 | 4 | | " 31 | " Returns to H.O. . | 42 | 10 9 |
| " 31 | " Cash (Wages) . | 362 | 5 | 8 | | " 31 | " Stock c/d . | 795 | 15 4 |
| " 31 | " " (Rent) . | 140 | 10 | 6 | | | | | |
| " 31 | " Cash (Rates, Taxes, and Insurance) . | 65 | 11 | 9 | | | | | |
| " 31 | " Cash (Sundry Exps.) . | 81 | 4 | 3 | | | | | |
| " 31 | " Profit and Loss A/c . | 735 | 5 | 1 | | | | | |
| | (Profit) | | | | | | | | |
| | | £7,710 | 2 | 9 | | | £7,710 | 2 | 9 |
| Dec. 31 | To Stock b/d . | 795 | 15 | 4 | | | | | |

EXERCISE XIV—No. 3 (A).

HEAD OFFICE BOOKS

BRANCH ACCOUNT

Cr.

Dr.

| | | Invoice Price. | | | Invoice Price. | | |
|-----------|-----------------------|----------------|-------|-----------|----------------|-------|-------------|
| | | £ | s. d. | | £ | s. d. | |
| 19.. 1 | To Stock . | 920 | 16 8 | 19.. | 6,855 | — 8 | f s. d. |
| Jan.-Dec. | " Goods from H.O. . | 6,841 | 19 4 | Jan.-Dec. | 895 | 15 4 | 6,855 — 8 |
| Dec. 31 | " Bal., Gross Profit. | | | Dec. 31 | 12 | — | 671 16 6 |
| | | £7,762 | 16 — | " | £7,762 | 16 — | |
| Dec. 31 | To Stocks b/d . | 895 | 15 4 | | | | £7,526 17 2 |

EXERCISE XIV—No. 3 (A) (contd.).

| Dr. | | BRANCH ACCOUNT (contd.). | | | | Cr. | | | |
|---------|--------------------------|--------------------------|----|----|---------|------------------|--------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| D.c. 31 | To Wages and Salaries . | 372 | 6 | 9 | Dec. 31 | By Trading A/c . | 1,704 | 15 | 2 |
| " 31 | " Rates, Taxes & Insnce. | 80 | 10 | 4 | | (Gross Profit) | | | |
| " 31 | " Rent . | 145 | 15 | 6 | | | | | |
| " 31 | " Sundry Expenses . | 39 | 14 | 11 | | | | | |
| " 31 | " Balance, NET Profit . | 1,066 | 7 | 8 | | | | | |
| | | £1,704 | 15 | 2 | | | £1,704 | 15 | 2 |

EXERCISE XIV—No. 3 (B).

HEAD OFFICE BOOKS

| Dr. | | BRANCH ACCOUNT | | | | | Cr | | |
|-----------|---------------------|----------------|-----------|----------|-----------|---------------------|---------------|-----------|----------|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 1 | To Stock . | 920 | 16 | 8 | Jan.-Dec. | By Cash . | 6,855 | — | 8 |
| Jan.-Dec. | „ Goods from H.O. : | 6,841 | 19 | 4 | Dec. 31 | „ Stock c/d . | 895 | 15 | 4 |
| | | | | | „ 31 | „ Branch Adjustm't | 12 | — | — |
| | | | | | | A/c (apparent loss) | | | |
| | | <u>£7,762</u> | <u>16</u> | <u>—</u> | | | <u>£7,762</u> | <u>16</u> | <u>—</u> |

| Dr. | | BRANCH ADJUSTMENT ACCOUNT | | | | | Cr | | |
|---------|-------------------------|---------------------------|----|----|---------|-------------------------|--------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 31 | To Balance (% on Stock) | 223 | 18 | 10 | Dec. 31 | By Balance (% on Stock) | 230 | 4 | 2 |
| " 31 | " Branch A/c | 12 | — | — | " 31 | " Goods sent to Brchs. | 1,710 | 9 | 10 |
| | (apparent loss) | | | | | (% on Goods) | | | |
| " 31 | " Branch Profit & Loss | 1,704 | 15 | 2 | | | | | |
| | (Gross Profit) | | | | | | | | |
| | | £1,940 | 14 | — | | | £1,940 | 14 | — |

| D | | GOODS SENT TO BRANCHES | | | | Cr. | | | |
|---------|-------------------------|------------------------|----|----|-----------|-----------------|--------|----|---|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. | |
| Dec. 31 | To Branch Adjustm't A/c | 1,710 | 9 | 10 | Jan.-Dec. | By Branch A/c . | 6,841 | 19 | 4 |
| " 31 | " Trading A/c | 5,131 | 9 | 6 | | | | | |
| | (Goods at Cost) | | | | | | | | |
| | | £6,841 | 19 | 4 | | | £6,841 | 19 | 4 |

EXERCISE XIV—No. 4 (a).

HEAD OFFICE BOOKS

BRANCH ACCOUNT

Cr.

Dr.

| 19.. 1 June | To Balance— Stock . . . Debtors. . . | £ 625 1,475 | s. 13 9 | d. 4 10 | 19.. Jan.—June | By Cash— Ledger Accounts . Ready-money Sales | £ 2,516 1,608 | s. 14 11 | d. 2 5 | £ 4,125 42 | s. 5 — | d. 7 — |
|----------------|--|-------------------|---------------|---------------|-------------------|--|---------------------|----------------|--------------|------------------|--------------|--------------|
| | | | | | | | | | | | | |
| 30 | " Goods from H.O. . | | | | " June 30 | " Returns to H.O. . | | | | | | |
| " 30 | " Rent, Rates, and Taxes | | | | | " Balance c/d— | 595 | 15 | 6 | | | |
| " 30 | " Wages and Salaries . . | | | | | Stock. . . | 1,542 | 17 | 10 | | | |
| " 30 | " Sundry Expenses . . | | | | | Debtors . . | | | | | | |
| " 30 | " Profit and Loss A/c . . (Net Profit) | | | | | | | | | 2,138 | 13 | 4 |
| | | | | | | | | | | £6,305 | 18 | 11 |

EXERCISE XIV—No. 4 (b).

| Dr. | | BRANCH GOODS ACCOUNT | | | | | | Cr. | |
|-----------|---------------------|----------------------|----|----|---------|---------------------|--------|-----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 1 | To Balance | 625 | 13 | 4 | June 30 | By Sales— | | | |
| Jan.-June | „ Goods from H.O. | 2,517 | 16 | 8 | | Cash . £1,608/11/5 | | | |
| „ | „ Returns Inwards | 28 | 11 | 4 | | Credit . 2,976/14/2 | 4,585 | 5 | 7 |
| „ | „ Allowances | 13 | 8 | 11 | | | 42 | — | — |
| „ | „ Branch Profit and | | | | „ 30 | „ Returns to H.O. | 595 | 15 | 6 |
| „ | Loss A/c | 2,037 | 10 | 10 | „ 30 | „ Stock c/d | | | |
| | (Gross Profit) | | | | | | | | |
| | | £5,223 | 1 | 1 | | | £5,223 | 1 | 1 |
| July 1 | To Bal. (Stock) b/d | 595 | 15 | 6 | | | | | |

| Dr. | | BRANCH EXPENSES ACCOUNT | | | | | | Cr. | |
|---------|----------------------|-------------------------|----|----|---------|----------------------|------|-----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| June 30 | To Rent, Rates, etc. | 108 | 12 | 7 | June 30 | By Branch Profit and | | | |
| „ 30 | „ Wages and Salaries | 294 | 6 | 8 | | Loss A/c (Transfer) | 817 | 3 | 5 |
| „ 30 | „ Sundry Expenses | 63 | 12 | 5 | | | | | |
| „ 30 | „ Bad Debts | 218 | 6 | 3 | | | | | |
| „ 30 | „ Discounts | 132 | 5 | 6 | | | | | |
| | | £817 | 3 | 5 | | | £817 | 3 | 5 |

| Dr. | | BRANCH DEBTORS' ACCOUNT | | | | | | Cr. | |
|-----------|----------------|-------------------------|----|----|-----------|-------------------|--------|-----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 1 | To Balance | 1,475 | 9 | 10 | Jan.-June | By Cash | 2,516 | 14 | 2 |
| Jan.-June | „ Sales | 2,976 | 14 | 2 | „ | „ Discount | 132 | 5 | 6 |
| | | | | | „ | „ Returns Inwards | 28 | 11 | 4 |
| | | | | | „ | „ Allowances | 13 | 8 | 11 |
| | | | | | „ | „ Bad Debts | 218 | 6 | 3 |
| | | | | | June 30 | „ Balance c/d | 1,542 | 17 | 10 |
| | | £4,452 | 4 | — | | | £4,452 | 4 | — |
| July 1 | To Balance b/d | 1,542 | 17 | 10 | | | | | |

| Dr. | | BRANCH PROFIT AND LOSS ACCOUNT | | | | | | Cr. | |
|--|--|--------------------------------|----|----|-----------------------|--|--------|-----|----|
| FOR THE HALF-YEAR ENDED 30TH JUNE, 19.. | | | | | | | | | |
| | | £ | s. | d. | | | £ | s. | d. |
| To Branch Expenses . | | 817 | 3 | 5 | By Branch Goods A/c . | | 2,037 | 10 | 10 |
| „ Head Office Profit & Loss A/c (NET profit transferred) | | 1,220 | 7 | 5 | | | | | |
| | | £2,037 | 10 | 10 | | | £2,037 | 10 | 10 |
| | | | | | | | | | |

EXERCISE XIV—No. 5.

HEAD OFFICE BOOKS

BRANCH A ACCOUNT

Dr.

Cr.

| | Invoice Price. | | | Invoice Price. | |
|-----------------------------------|----------------|-------|------------------------------------|----------------|-------|
| | £ | s. d. | | £ | s. d. |
| To Stock, 1st Jan. | 1,338 | 3 4 | By Sales | 9,662 | 2 - |
| " Goods from Head Office . . . | 9,846 | 12 4 | " Stock, 31st Dec. | 1,476 | 12 4 |
| " Excess in Stock | 12 | 4 8 | " Returns to Head Office . . . | 28 | 9 4 |
| " Balance, Gross Profit c/d . . . | | | " Allowances off Selling Price . . | 29 | 16 8 |
| | £ 11,197 | - 4 | | £ 11,197 | - 4 |
| | | | | 10,790 | 18 3 |

Dr.

BRANCH B ACCOUNT

Cr.

| | Invoice Price. | | | Invoice Price. | |
|-----------------------------------|----------------|-------|------------------------------------|----------------|-------|
| | £ | s. d. | | £ | s. d. |
| To Stock, 1st Jan. | 1,672 | 12 4 | By Sales | 10,183 | 8 8 |
| " Goods from Head Office . . . | 10,408 | 15 8 | " Stock, 31st Dec. | 1,814 | 12 8 |
| " Excess in Stock | | | " Returns to Head Office . . . | 46 | 11 8 |
| " Balance, Gross Profit c/d . . . | | | " Shortage in Stock | 10 | 4 8 |
| | | | " Allowances off Selling Price . . | 26 | 10 4 |
| | £ 12,081 | 8 - | | £ 12,081 | 8 - |
| | | | | 11,579 | 6 11 |

EXERCISE XIV—No. 5 (contd.).

(Dr. SIDE)

BRANCH A EXPENSES ACCOUNT

| | £ | s. | d. |
|--|-------------|-----------|----------|
| To Sundry Expenses | 80 | 12 | 4 |
| „ Salaries | 248 | 15 | 6 |
| „ Rent, Rates, and Taxes | 250 | 16 | 8 |
| „ Depreciation | 24 | 13 | 9 |
| <i>Total to Transfer to Branch A Profit and Loss A/c .</i> | <u>£604</u> | <u>18</u> | <u>3</u> |

(Dr. SIDE)

BRANCH B EXPENSES ACCOUNT

| | £ | s. | d. |
|--|-------------|----------|----------|
| To Sundry Expenses | 139 | 16 | 5 |
| „ Salaries | 318 | 13 | 2 |
| „ Rent, Rates, and Taxes | 296 | 14 | 8 |
| „ Depreciation | 35 | 17 | 1 |
| <i>Total to Transfer to Branch B Profit and Loss A/c .</i> | <u>£791</u> | <u>1</u> | <u>4</u> |

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

357

EXERCISE XIV—No. 8.

HEAD OFFICE TRIAL BALANCE (CONVERTED)

| | £ | s. | d. | £ | s. | d. |
|-----------------------------------|---------|----|----|---------|----|----|
| Sundry Assets | 12,317 | 4 | 2 | | | |
| Branch Current Account | 3,710 | 11 | 4 | | | |
| Goods in Transit | 250 | — | — | | | |
| Sundry Creditors | | | | 3,017 | 15 | 6 |
| Remittances from Branch | | | | 1,260 | — | — |
| Capital | | | | 12,000 | — | — |
| | £16,277 | 15 | 6 | £16,277 | 15 | 6 |

BRANCH TRIAL BALANCE (CONVERTED)

| | £ | s. | d. | £ | s. | d. |
|--------------------------------------|--------|----|----|--------|----|----|
| Sundry Assets | 2,847 | 10 | 9 | | | |
| Remittances to Head Office | 1,260 | — | — | | | |
| Remittances in Transit | 60 | — | — | | | |
| Sundry Creditors | | | | 456 | 19 | 5 |
| Head Office Account | | | | 3,710 | 11 | 4 |
| | £4,167 | 10 | 9 | £4,167 | 10 | 9 |

BALANCE SHEET AS AT 31st DECEMBER, 19..

| LIABILITIES. | £ | s. | d. | ASSETS. | £ | s. | d. |
|----------------------------|---------|----|----|----------------------------------|---------|----|----|
| Capital | 12,000 | — | — | Sundry Assets | 15,164 | 14 | 11 |
| Sundry Creditors | 3,474 | 14 | 11 | Goods in Transit | 250 | — | — |
| | | | | Remittances in Transit | 60 | — | — |
| | £15,474 | 14 | 11 | | £15,474 | 14 | 11 |

EXERCISE XIV—No. 9.

HEAD OFFICE JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|---|--------|--------|------|-------|--------|------|
| 19.. | | | | | | | |
| Dec. 31 | Remittances from Branch | 2,360 | — | — | 2,360 | — | — |
| | To Branch Account | | | | | | |
| | Balance transferred. | | | | | | |
| " 31 | Branch Trading Account | 3,676 | 15 | 6 | 3,676 | 15 | 6 |
| | To Branch Account | | | | | | |
| | Stock, 1st Jan | £675 | 11 | 2 | | | |
| | Purchases | 2,916 | 16 | 7 | | | |
| | Carriage Inwards. . . . | 84 | 7 | 9 | | | |
| | Balances transferred. | | | | | | |
| " 31 | Branch Account | 5,173 | 12 | 4 | 5,173 | 12 | 4 |
| | To Branch Trading Account | | | | | | |
| | Sales | £4,462 | 16 | 8 | | | |
| | Stock, 31st Dec. . . . | 710 | 15 | 8 | | | |
| | Balances transferred. | | | | | | |
| " 31 | Branch Trading Account | 1,496 | 16 | 10 | | | |
| | Branch Account | 10 | 14 | 11 | | | |
| | To Branch Profit and Loss Account. | | | | 1,507 | 11 | 9 |
| | Gross profit and discount received transferred. | | | | | | |
| " 31 | Branch Profit and Loss Account . . | 740 | 12 | 11 | | | |
| | To Branch Account | | | | 740 | 12 | 11 |
| | Wages and Salaries | £428 | 13 | 11 | | | |
| | Rent, Rates, and Taxes | 92 | 15 | 3 | | | |
| | Discounts Allowed | 86 | 19 | 4 | | | |
| | Sundry Expenses | 65 | 11 | 7 | | | |
| | Bad Debts | 35 | 18 | 5 | | | |
| | Depreciation | 30 | 14 | 5 | | | |
| | Balances transferred. | | | | | | |
| " 31 | Branch Profit and Loss Account . . | 766 | 18 | 10 | | | |
| | To Head Office Profit and Loss A/c. | | | | 766 | 18 | 10 |
| | Net profit of branch transferred. | | | | | | |
| | | £ | 14,225 | 11 4 | £ | 14,225 | 11 4 |

HEAD OFFICE BOOKS

Dr.

REMITTANCES FROM BRANCH

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|---------|-----------------------|-------|----|----|-----------|-----------------|-------|----|----|
| Dec. 31 | To Branch A/c | 2,360 | — | — | Jan.-Dec. | By Cash | 2,360 | — | — |

EXERCISE XIV—No. 9 (contd.).

| Dr. | | BRANCH ACCOUNT | | | | | Cr. | | | |
|---------|------------------------|----------------|---------------|----------|----------|---------|------------------------|---------------|----------|----------|
| 19.. | | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 1 | To Balance . . . | | 3,516 | 16 | 6 | Dec. 31 | By Remittances from | | | |
| Dec. 31 | „ Branch Trading . . | | 5,173 | 12 | 4 | | Branch A/c . . | 2,360 | — | — |
| „ 31 | „ Branch Profit & Loss | | 10 | 14 | 11 | „ 31 | „ Branch Trading . . | 3,676 | 15 | 6 |
| | | | | | | „ 31 | „ Branch Profit & Loss | 740 | 12 | 11 |
| | | | | | | „ 31 | „ Balance c/d . . | 1,923 | 15 | 4 |
| | | | <u>£8,701</u> | <u>3</u> | <u>9</u> | | | <u>£8,701</u> | <u>3</u> | <u>9</u> |
| 19.. | | | | | | | | | | |
| Jan. 1 | To Balance b/d . . . | | 1,923 | 15 | 4 | | | | | |

| BRANCH TRADING ACCOUNT | | | | | | | | | |
|------------------------|---------------|--|----------|----|--------------------|---------------|-----------|----------|----|
| Dr. | | FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | | | Cr. | |
| | | £ | s. | d. | | | £ | s. | d. |
| To Branch Account— | | | | | By Branch Account— | | | | |
| Stock, 1st Jan. | 675 | 11 | 2 | | Sales | 4,462 | 16 | 8 | |
| Purchases | 2,916 | 16 | 7 | | Stock, 31st Dec. | 710 | 15 | 8 | |
| Carriage Inwards. | 84 | 7 | 9 | | | | | | |
| „ Branch Profit & Loss | | | | | | | | | |
| A/c (gross profit). | 1,496 | 16 | 10 | | | | | | |
| | <u>£5,173</u> | <u>12</u> | <u>4</u> | | | <u>£5,173</u> | <u>12</u> | <u>4</u> | |

| <i>Dr.</i> | | BRANCH PROFIT AND LOSS ACCOUNT | | | <i>Cr.</i> | | |
|--|--------|--------------------------------|----|-----------------------|------------|----|----|
| FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | | | | |
| | £ | s. | d. | | £ | s. | d. |
| To Branch Account— | | | | By Branch Trading A/c | 1,496 | 16 | 10 |
| Wages & Salaries. | 428 | 13 | 11 | (gross profit) | | | |
| Rent, Rates, and | | | | „ Branch Account— | | | |
| Taxes . . . | 92 | 15 | 3 | Discts. Received . | 10 | 14 | 11 |
| Discts. Allowed . | 86 | 19 | 4 | | | | |
| Sundry Expenses. | 65 | 11 | 7 | | | | |
| Bad Debts . . . | 35 | 18 | 5 | | | | |
| Depreciation . . | 30 | 14 | 5 | | | | |
| „ Head Office Profit & | | | | | | | |
| Loss A/c (NET | | | | | | | |
| profit transferred) | 766 | 18 | 10 | | | | |
| | £1,507 | 11 | 9 | | £1,507 | 11 | 9 |

EXERCISE XIV—No. 9 (contd.).

BRANCH BOOKS

| Dr. | | REMITTANCES TO HEAD OFFICE | | | | Cr. | |
|-----------|---------------|----------------------------|----|---------|------------------------|-------|----|
| 19.. | | £ | s. | 19.. | | £ | s. |
| Jan.-Dec. | To Cash . . . | 2,360 | — | Dec. 31 | By Head Office A/c . . | 2,360 | — |
| | | | | | | | |

Dr. HEAD OFFICE ACCOUNT

| | | | | | | | | | |
|---------|------------------------|---------------|-----------|----------|---------|--------------------------|---------------|-----------|----------|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 31 | To Remittances to Head | 2,360 | — | — | Jan. 1 | By Balance. | 3,316 | 16 | 6 |
| | Office A/c | | | | Dec. 31 | „ Profit and Loss A/c | 768 | 18 | 10 |
| „ 31 | „ Balance c/d | 1,923 | 15 | 4 | | (Transfer of NET profit) | | | |
| | | <u>£4,283</u> | <u>15</u> | <u>4</u> | | | <u>£4,283</u> | <u>15</u> | <u>4</u> |
| | | | | | 19.. | | | | |
| | | | | | Jan. 1 | By Balance b/d | 1,923 | 15 | 4 |

TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 19..

| | £ | s. | d. | | £ | s. | d. |
|-------------------------------------|---------------|-----------|----------|---------------------|---------------|-----------|----------|
| To Stock, 1st Jan. | 675 | 11 | 2 | By Sales | 4,462 | 16 | 8 |
| „ Purchases from H.O. | 2,916 | 16 | 7 | „ Stock, 31st Dec. | 710 | 15 | 8 |
| „ Carriage Inwards | 84 | 7 | 9 | | | | |
| „ Bal., GROSS PROFIT. | 1,496 | 16 | 10 | | | | |
| | <u>£3,173</u> | <u>12</u> | <u>4</u> | | <u>£5,173</u> | <u>12</u> | <u>4</u> |
| To Wages and Salaries. | 428 | 13 | 11 | By Trading Account | 1,496 | 16 | 10 |
| „ Rent, Rates & Taxes | 92 | 15 | 3 | „ Discount Received | 10 | 14 | 11 |
| „ Sundry Expenses | 65 | 11 | 7 | | | | |
| „ Bad Debts | 35 | 18 | 5 | | | | |
| „ Discounts Allowed | 86 | 19 | 4 | | | | |
| „ Depreciation | 30 | 14 | 5 | | | | |
| „ H.O. A/c (NET profit transferred) | 766 | 18 | 10 | | | | |
| | <u>£1,507</u> | <u>11</u> | <u>9</u> | | <u>£1,507</u> | <u>11</u> | <u>9</u> |

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | | £ | s. | d. | ASSETS. | | £ | s. | d. |
|------------------------------|-------------|--------|----|----|-------------------------|--|--------|----|----|
| Sundry Creditors | | 154 | 12 | 6 | Cash. | | 187 | 5 | 10 |
| Head Office Account— | | | | | Sundry Debtors. | | 847 | 13 | 5 |
| Balance 1st Jan. | 3,516 16 6 | | | | Stock | | 710 | 15 | 8 |
| Less Remittances. | 2,360 — — | | | | Horses and Carts | | 256 | 14 | 2 |
| | | | | | (less Depreciation) | | | | |
| | £1,156 16 6 | | | | Furniture and Fixtures | | 75 | 18 | 9 |
| Add Profit for year. | 768 18 10 | | | | (less Depreciation) | | | | |
| | | 1,923 | 15 | 4 | | | | | |
| | | £2,078 | 7 | 10 | | | £2,078 | 7 | 10 |

EXERCISE XIV—No. 10 (*contd.*).

COLUMNAR BALANCE SHEET AS AT 31st DECEMBER, 19..

| LIABILITIES. | London. | | Edinburgh. | | Dublin. | | TOTAL. | | ASSETS. | | London. | | Edinburgh. | | Dublin. | | TOTAL. | |
|--------------------------|----------|-------|------------|-------|---------|-------|--------|-------|--------------------------|--|----------|-------|------------|-------|---------|-------|--------|-------|
| | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | | | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| Sundry Creditors | 8,165 | 19 10 | | | 3,351 | 3 5 | 16,546 | 1 2 | Cash in hand | | 216 | 18 7 | 115 | 9 7 | 289 | 11 8 | 421 | 19 10 |
| <i>Current Accounts—</i> | | | | | 2,323 | 2 6 | 4,470 | 18 11 | at Bank | | 7,808 | 10 6 | 5,219 | 12 6 | 4,723 | 16 7 | 17,751 | 19 7 |
| London | | | | | 1,571 | 14 5 | 1,571 | 14 5 | Sundry Debtors | | 12,206 | 13 4 | 9,847 | 13 6 | 8,806 | 14 5 | 30,861 | 1 3 |
| Edinburgh | | | | | | | | | <i>Current Accounts—</i> | | | | | | | | | |
| Dublin | | | | | | | | | London | | 2,147 | 16 5 | | | | | 2,147 | 16 5 |
| <i>Capital Accounts—</i> | | | | | | | | | Edinburgh | | | | 1,571 | 14 5 | | | 3,894 | 16 11 |
| G. Finch (London) | 27,877 | 11 - | | | | | 27,877 | 11 - | Dublin | | 2,323 | 2 6 | | | | | 15,011 | 6 1 |
| G. Green (Edinburgh) | | | | | | | 18,296 | 12 10 | Stock-in-Trade | | 6,285 | 11 3 | 4,752 | 18 6 | 3,972 | 16 4 | 12,036 | 16 7 |
| K. Roberts (Dublin) | | | | | | | 13,422 | 18 4 | Plant and Machinery | | 5,054 | 18 3 | 3,965 | 18 8 | 3,075 | 19 8 | | |
| | | | | | | | | | (less Depreciation) | | | | | | | | | |
| | £ 36,043 | 10 10 | | | | | 82,185 | 16 8 | | | £ 36,043 | 10 10 | 25,473 | 7 2 | 20,668 | 18 8 | 82,185 | 16 8 |

EXERCISE XIV—No. 10 (contd.).

BALANCE SHEET (ORDINARY FORM) AS AT 31st DECEMBER, 19..

| LIABILITIES. | | £ | s. | d. | £ | s. | d. | ASSETS. | | £ | s. | d. |
|----------------------|--|-------|----|----|--------|----|----|---------------------|--|----------|----|----|
| Sundry Creditors | | | | | | | | Cash in hand | | | | |
| Capital Accounts— | | | | | | | | " at Bank | | 16,546 | 1 | 2 |
| F. Finch, 1st Jan. | | 1,032 | 6 | 9 | 20,646 | 15 | 7 | Sundry Debtors | | | | |
| Add Interest | | 9,198 | 8 | 8 | | | | Stock-in-Trade | | | | |
| " Sh. of Profits | | | | | 10,230 | 15 | 5 | Plant and Machinery | | | | |
| | | | | | | | | (less Depreciation) | | | | |
| Less Drawings | | | | | 30,877 | 11 | — | | | | | |
| | | | | | 3,000 | — | — | | | 27,877 | 11 | — |
| G. Green, 1st Jan. | | 708 | 12 | 6 | 14,172 | 10 | 5 | | | | | |
| Add Interest | | 5,915 | 9 | 11 | | | | | | | | |
| " Sh. of Profits | | | | | 6,624 | 2 | 5 | | | | | |
| | | | | | | | | | | | | |
| Less Drawings | | | | | 20,796 | 12 | 10 | | | 18,296 | 12 | 10 |
| | | | | | 2,500 | — | — | | | | | |
| R. Roberts, 1st Jan. | | 513 | 16 | 9 | 10,276 | 14 | 3 | | | | | |
| Add Interest | | 4,632 | 7 | 4 | | | | | | | | |
| " Sh. of Profits | | | | | 5,146 | 4 | 1 | | | | | |
| | | | | | | | | | | | | |
| Less Drawings | | | | | 15,422 | 18 | 4 | | | | | |
| | | | | | 2,000 | — | — | | | 13,422 | 18 | 4 |
| | | | | | | | | | | | | |
| | | | | | | | | | | £ 76,143 | 3 | 4 |
| | | | | | | | | | | | | |
| | | | | | | | | | | £ 76,143 | 3 | 4 |

EXERCISE XIV—No. 10 (*contd.*).

LONDON'S LEDGER

| Dr. | | EDINBURGH CURRENT ACCOUNT | | | | | | | | | | Cr. | |
|---------|-----------------------------|---------------------------|--|---------------|-----------|----------|---------|--------------------------|--|--|---------------|-----------|----------|
| 19.. | | | | £ | s. | d. | 19.. | | | | £ | s. | d. |
| Jan. 1 | To Balance | | | 2,386 | 14 | 5 | Dec. 31 | By F. Finch | | | 1,522 | - | 7 |
| Dec. 31 | „ G. Green | | | 1,283 | 2 | 7 | | (Share of LONDON Profit) | | | | | |
| | (Share of EDINBURGH Profit) | | | | | | „ 31 | „ Balance c/d | | | 2,147 | 16 | 5 |
| | | | | <u>£3,669</u> | <u>17</u> | <u>-</u> | | | | | <u>£3,669</u> | <u>17</u> | <u>-</u> |

| Dr. | | | | DUBLIN CURRENT ACCOUNT | | | | Cr. | | | | |
|---------|--------------------------|---------------|----------|------------------------|----|----|---------|--------------------------|---------------|----------|----------|----|
| 19.. | | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Jan. 1 | To Balance | 2,017 | 18 | 9 | | | Dec. 31 | By F. Finch | 1,522 | - | 6 | |
| Dec. 31 | „ R. Roberts | 1,827 | 4 | 3 | | | | (Share of LONDON Profit) | | | | |
| | (Share of DUBLIN Profit) | | | | | | „ 31 | „ Balance c/d | 2,323 | 2 | 6 | |
| | | <u>£3,845</u> | <u>3</u> | <u>-</u> | | | | | <u>£3,845</u> | <u>3</u> | <u>-</u> | |

| <i>Dr.</i> | | F. FINCH'S CAPITAL ACCOUNT | | | | | | <i>Cr.</i> | | | |
|------------|-----------------------|----------------------------|--------|----|----|---------|------------------------|------------|--------|----|----|
| 19.. | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Dec. 31 | To Drawings | | 3,000 | | - | Jan. 1 | By Balance | | 20,646 | 15 | 7 |
| " 31 | " Balance c/d | | 27,877 | 11 | - | Dec. 31 | " Interest | | 1,032 | 6 | 9 |
| | | | | | | " 31 | " Share of Profit— | | | | |
| | | | | | | | London | | 6,088 | 1 | 10 |
| | | | | | | | Edinburgh | | 1,283 | 2 | 7 |
| | | | | | | | Dublin | | 1,827 | 4 | 3 |
| | | £ | 30,877 | 11 | - | | | £ | 30,877 | 11 | - |
| | | | | | | Dec. 31 | By Balance b/d | | 27,877 | 11 | - |

EDINBURGH'S LEDGER

| Dr. | | LONDON CURRENT ACCOUNT | | | | | | Cr. | | |
|---------|--------------------------|------------------------|-----------|----------|---------|-----------------------------|--|---------------|-----------|----------|
| 19.. | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Dec. 31 | To F. Finch | 1,522 | - | 7 | Jan. 1 | By Balance | | 2,386 | 14 | 5 |
| | (Share of LONDON Profit) | | | | Dec. 31 | " G. Green | | 1,283 | 2 | 7 |
| " 31 | " Balance c/d | 2,147 | 16 | 5 | | (Share of EDINBURGH Profit) | | | | |
| | | <u>£3,669</u> | <u>17</u> | <u>-</u> | | | | <u>£3,669</u> | <u>17</u> | <u>-</u> |

| Dr. | | DUBLIN CURRENT ACCOUNT | | | | | | Cr. | |
|---------|--------------------------|------------------------|-----------|-----------|---------|-----------------------------|---------------|-----------|-----------|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 1 | To Balance | 1,027 | 12 | 8 | Dec. 31 | By G. Green | 1,283 | 2 | 6 |
| Dec. 31 | „ R. Roberts | 1,827 | 4 | 3 | | (Share of EDINBURGH Profit) | | | |
| | (Share of DUBLIN Profit) | | | | „ 31 | „ Balance c/d | 1,571 | 14 | 5 |
| | | <u>£2,854</u> | <u>16</u> | <u>11</u> | | | <u>£2,854</u> | <u>16</u> | <u>11</u> |

EXERCISE XIV—No. 10 (*contd.*).

| <i>Dr.</i> | | | | G. GREEN'S CAPITAL ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|-----------------------|--------|--------|----------------------------|---------|----------------------------|--------|------------|-------|----|--|
| | | £ | s. | d. | | | | £ | s. | d. | |
| 19.. | | | | | 19.. | | | | | | |
| Dec. 31 | To Drawings | 2,500 | — | — | Jan. 1 | By Balance | 14,172 | 10 | 5 | | |
| " 31 | " Balance c/d | 18,296 | 12 | 10 | Dec. 31 | " Interest | 708 | 12 | 6 | | |
| | | | | | " 31 | " <i>Share of Profit</i> — | | | | | |
| | | | | | | London | 1,522 | — | 7 | | |
| | | | | | | Edinburgh | 2,568 | 5 | 1 | | |
| | | | | | | Dublin | 1,827 | 4 | 3 | | |
| | | £ | 20,796 | 12 10 | | | £ | 20,796 | 12 10 | | |
| | | | | | Dec. 31 | By Balance b/d | 18,296 | 12 | 10 | | |

| <i>Dr.</i> | | | | DUBLIN'S LEDGER | | | | <i>Cr.</i> | | | |
|------------|--------------------------|-------|-------|------------------------|---------|--------------------------|-------|------------|-----|----|--|
| | | | | LONDON CURRENT ACCOUNT | | | | | | | |
| | | £ | s. | d. | | | | £ | s. | d. | |
| 19.. | | | | | 19.. | | | | | | |
| Dec. 31 | To F. Finch | 1,522 | — | 6 | Jan. 1 | By Balance | 2,017 | 18 | 9 | | |
| | (Share of LONDON Profit) | | | | Dec. 31 | " R. Roberts | 1,827 | 4 | 3 | | |
| " 31 | " Balance c/d | 2,323 | 2 | 6 | | (Share of DUBLIN Profit) | | | | | |
| | | £ | 3,845 | 3 — | | | £ | 3,845 | 3 — | | |

| <i>Dr.</i> | | | | EDINBURGH CURRENT ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|-----------------------------|-------|-------|---------------------------|---------|--------------------------|-------|------------|-------|----|--|
| | | £ | s. | d. | | | | £ | s. | d. | |
| 19.. | | | | | 19.. | | | | | | |
| Dec. 31 | To G. Green | 1,283 | 2 | 6 | Jan. 1 | By Balance | 1,027 | 12 | 8 | | |
| | (Share of EDINBURGH Profit) | | | | Dec. 31 | " R. Roberts | 1,827 | 4 | 3 | | |
| " 31 | " Balance c/d | 1,571 | 14 | 5 | | (Share of DUBLIN Profit) | | | | | |
| | | £ | 2,854 | 16 11 | | | £ | 2,854 | 16 11 | | |

| <i>Dr.</i> | | | | R. ROBERTS'S CAPITAL ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|-----------------------|--------|--------|------------------------------|---------|----------------------------|--------|------------|------|----|--|
| | | £ | s. | d. | | | | £ | s. | d. | |
| 19.. | | | | | 19.. | | | | | | |
| Dec. 31 | To Drawings | 2,000 | — | — | Jan. 1 | By Balance | 10,276 | 14 | 3 | | |
| " 31 | " Balance c/d | 13,422 | 18 | 4 | Dec. 31 | " Interest | 513 | 16 | 9 | | |
| | | | | | " 31 | " <i>Share of Profit</i> — | | | | | |
| | | | | | | London | 1,522 | — | 6 | | |
| | | | | | | Edinburgh | 1,283 | 2 | 6 | | |
| | | | | | | Dublin | 1,827 | 4 | 4 | | |
| | | £ | 15,422 | 18 4 | | | £ | 15,422 | 18 4 | | |
| | | | | | Dec. 31 | By Balance b/d | 13,422 | 18 | 4 | | |

EXERCISE XIV—No. 11.

| HEAD OFFICE BOOKS | | | | | | | | | | | | | | |
|-----------------------|--|--|--|--|-----------------------------|--|--|--|--|-----------|--|--|--|--|
| Dr. | | | | | BRANCH ACCOUNT (MANCHESTER) | | | | | Cr. | | | | |
| | | | | | | | | | | | | | | |
| 19.. | | | | | 19.. | | | | | | | | | |
| July 1 | | | | | July-Dec. | | | | | July-Dec. | | | | |
| To Balance— | | | | | By Sales— | | | | | | | | | |
| Stock . . . | | | | | Cash . . . | | | | | 1,214 | | | | |
| Debtors . . . | | | | | Credit . . . | | | | | 2,384 | | | | |
| „ Goods from H.O. . . | | | | | „ Balance c/d— | | | | | | | | | |
| „ Balance . . . | | | | | Stock . . . | | | | | 1,121 | | | | |
| GROSS PROFIT | | | | | Debtors . . . | | | | | 1,210 | | | | |
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| BRANCH PROFIT AND LOSS ACCOUNT | | | | | | | | | |
|---|--|--------|----|----|-------------------|--|--------|----|----|
| Dr. | | | | | Cr. | | | | |
| FOR HALF-YEAR ENDED 31ST DECEMBER, 19.. | | | | | | | | | |
| | | £ | s. | d. | | | £ | s. | d. |
| To Rent, Rates, etc. | | 375 | — | — | By Branch Account | | 1,804 | — | — |
| „ Wages and Sundry Expenses | | 396 | — | — | | | | | |
| „ Balance, NET profit. | | 1,033 | — | — | | | | | |
| | | £1,804 | — | — | | | £1,804 | — | — |

| CASH BOOK | | | | | | | | | |
|-----------|--------------------|--------|----|----|-----------|-----------------------------|------|----|----|
| Dr. | | | | | Cr. | | | | |
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| July-Dec. | To Branch Account— | | | | July-Dec. | By Branch Account— | | | |
| | Sales . . . | 1,214 | — | — | | Rent & Taxes, &c. | 375 | — | — |
| | Debtors . . . | 2,384 | — | — | | Wages & Sundry Expenses . . | 396 | — | — |
| | | £3,598 | — | — | | | £771 | — | — |

EXERCISE XIV—No. 12.

| LONDON'S LEDGER | | | | | | | | | | | | | | |
|-----------------|--------------------------------------|---------------|----|----|-------------------------|---------------------------------|---------------|----|----|-----|--|--|--|--|
| Dr. | | | | | SWANSEA CURRENT ACCOUNT | | | | | Cr. | | | | |
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | | | | |
| Dec. 31 | To A & B's Share of Profit | 2,000 | — | — | Jan. 1 | By Balance | 3,000 | — | — | | | | | |
| " 31 | " Balance c/d | 2,500 | — | — | Dec. 31 | " C's Share of Profit | 1,500 | — | — | | | | | |
| | | <u>£4,500</u> | — | — | | | <u>£4,500</u> | — | — | | | | | |
| | | | | | Dec. 31 | By Balance b/d | 2,500 | — | — | | | | | |

EXERCISE XIV—No. 12 (contd.).

| <i>Dr.</i> | | GLASGOW CURRENT ACCOUNT | | | | <i>Cr.</i> | | |
|------------|-------------------------------------|-------------------------|----|----|---------|----------------------------------|---------------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Jan. 1 | To Balance | 2,000 | — | — | Dec. 31 | By D's Share of Profit | 1,500 | — |
| Dec. 31 | " A & B's Share of Profit | 3,200 | — | — | " 31 | " Balance c/d | 3,700 | — |
| | | <u>£5,200</u> | — | — | | | <u>£5,200</u> | — |
| Dec. 31 | To Balance b/d | 3,700 | — | — | | | | |

| Dr. | | A'S CAPITAL ACCOUNT | | | | | | Cr. | |
|---------|------------------------|---------------------|--------|----|---------|----------------------|--------|--------|----|
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | To Drawings | 1,000 | | | 19.. | By Balance | 10,000 | | |
| Dec. 31 | „ Balance c/d . . . | 14,600 | — | — | Jan. 1 | „ Share of Profit— | | | |
| „ 31 | | | | | Dec. 31 | London | 3,000 | — | — |
| | | | | | | Glasgow | 1,600 | — | — |
| | | | | | | Swansea | 1,000 | — | — |
| | | | | | | | | | |
| | | £ | 15,600 | — | | | £ | 15,600 | — |
| | B'S CAPITAL A/C AS A'S | | | | Dec. 31 | By Balance b/d . . . | 14,600 | — | — |

SWANSEA'S LEDGER

| Dr. | | LONDON CURRENT ACCOUNT | | | | Cr. | | | |
|---------|---------------------------------|------------------------|----|----|---------|--------------------------------------|---------------|----|---|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. | |
| Jan. 1 | To Balance | 3,000 | — | — | Dec. 31 | By A & B's Share of Profit | 2,000 | — | — |
| Dec. 31 | „ C's Share of Profit | 1,500 | — | — | „ 31 | „ Balance c/d | 2,500 | — | — |
| | | <u>£4,500</u> | — | — | | | <u>£4,500</u> | — | — |
| Dec. 31 | To Balance b/d | 2,500 | — | — | | | | | |

| <i>Dr.</i> | | GLASGOW CURRENT ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|-------------------------|-------------------------|----|----|---------|---------------------------------|--------|------------|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 31 | To C's Share of Profit | 1,600 | — | — | Jan. 1 | By Balance | 4,000 | — | — |
| " 31 | " Balance c/d | 3,400 | — | — | Dec. 31 | " D's Share of Profit | 1,000 | — | — |
| | | £5,000 | — | — | | | £5,000 | — | — |
| | | | | | Dec. 31 | By Balance b/d | 3,400 | — | — |

| Dr. | | C'S CAPITAL ACCOUNT | | | | | | Cr. | |
|---------|-----------------------|---------------------|--------|----|---------|------------------------|--------|--------|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 31 | To Drawings | 1,000 | — | — | Jan. 1 | By Balance | 5,000 | — | — |
| " 31 | " Balance c/d | 10,100 | — | — | Dec. 31 | " Share of Profit— | | | |
| | | | | | | London | 1,500 | — | — |
| | | | | | | Glasgow | 1,600 | — | — |
| | | | | | | Swansea | 3,000 | — | — |
| | | £ | 11,100 | — | | | £ | 11,100 | — |
| | | | | | Dec. 31 | By Balance b/d | 10,100 | — | — |

EXERCISE XIV—No. 12 (*contd.*).

| GLASGOW'S LEDGER | | | | | | | | | | | | | | |
|------------------|--------------------------------|--------|---|---|------------------------|----|---------|-----------------------------------|--------|-----|---|----|----|--|
| Dr. | | | | | LONDON CURRENT ACCOUNT | | | | | Cr. | | | | |
| 19.. | | | | £ | s. | d. | 19.. | | | | £ | s. | d. | |
| Dec. 31 | To D's Share of Profit | 1,500 | — | — | | | Jan. 1 | By Balance | 2,000 | — | — | | | |
| „ 31 | „ Balance c/d | 3,700 | — | — | | | Dec. 31 | „ A & B's Share of Profit | 3,200 | — | — | | | |
| | | £5,200 | — | — | | | | | £5,200 | — | — | | | |
| | | | | | | | Dec. 31 | By Balance b/d | 3,700 | — | — | | | |

| Dr. | | SWANSEA CURRENT ACCOUNT | | | | Cr. | | |
|---------|---------------------------|-------------------------|----|----|---------|----------------------------|--------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Jan. 1 | To Balance | 4,000 | — | — | Dec. 31 | By C's Share of Profit . . | 1,600 | — |
| Dec. 31 | „ D's Share of Profit . . | 1,000 | — | — | „ 31 | „ Balance c/d | 3,400 | — |
| | | £5,000 | — | — | | | £5,000 | — |
| Dec. 31 | To Balance b/d | 3,400 | — | — | | | | |

| Dr. | | D'S CAPITAL ACCOUNT | | | | | | Cr. | |
|---------|-----------------------|---------------------|----|----|---------|------------------------|---------------|-----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 31 | To Drawings | 500 | | | Jan. 1 | By Balance | 5,000 | | |
| " 31 | " Balance c/d | 9,400 | | | Dec. 31 | " Share of Profit— | | | |
| | | | | | | London | 1,500 | | |
| | | | | | | Glasgow | 2,400 | | |
| | | | | | | Swansea | 1,000 | | |
| | | <u>£9,900</u> | | | | | <u>£9,900</u> | | |
| | | | | | Dec. 31 | By Balance b/d | 9,400 | | |

GENERAL BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | | £ | s. | d. | ASSETS. | | £ | s. | d. |
|-------------------|---------|---------|----|----|-----------------|--|---------|----|----|
| Creditors | | 31,500 | — | — | Cash | | 16,200 | — | — |
| Capital Accounts— | | | | | Debtors | | 43,000 | — | — |
| A | £14,600 | | | | Stock | | 21,000 | — | — |
| B | 14,600 | | | | | | | | |
| C | 10,100 | | | | | | | | |
| D | 9,400 | | | | | | | | |
| | | 48,700 | — | — | | | | | |
| | | £80,200 | — | — | | | £80,200 | — | — |

EXERCISE XIV—No. 12 (*contd.*).
Dr.

APPORTIONMENT OF PROFIT ACCOUNT

Cr.

| | | London. | | Swansea. | | Glasgow. | | Total. | | London. | | Swansea. | | Glasgow. | | Total. | |
|----------------------|---|---------|-------|----------|-------|----------|-------|--------|-------|---------------------------------|-------|----------|-------|----------|-------|--------|-------|
| | | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| To Capital Accounts— | | 3,000 | — | 1,000 | — | 1,600 | — | 5,600 | — | By Net Profits of Branches . | | 6,000 | | 7,200 | | 22,200 | |
| A | : | 3,000 | — | 1,000 | — | 1,600 | — | 5,600 | — | | | | | | | | |
| B | : | 3,000 | — | 3,000 | — | 1,600 | — | 6,100 | — | | | | | | | | |
| C | : | 1,500 | — | 1,000 | — | 2,400 | — | 4,900 | — | | | | | | | | |
| D | : | 1,500 | — | 1,000 | — | 2,400 | — | 4,900 | — | | | | | | | | |
| | | £9,000 | — | £6,000 | — | £7,200 | — | 22,200 | — | | | | | | | | |
| | | £9,000 | — | £6,000 | — | £7,200 | — | 22,200 | — | | | | | | | | |
| | | £9,000 | — | £6,000 | — | £7,200 | — | 22,200 | — | | | | | | | | |

EXERCISE XIV—No. 13.

| BRANCH (MAIDSTONE) | | | | | | | | | | | | | | | |
|---------------------------------|--|--|--|--|--|----|----|---------------------|--|-----|--|--|--------|----|----|
| PROFIT AND LOSS ACCOUNT | | | | | | | | | | | | | | | |
| Dr. | | | | | FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | | Cr. | | | | | |
| | | | | | £ | s. | d. | | | | | | £ | s. | d. |
| To Coal from H.O. | | | | | 1,748 | - | - | By Sales of Coal | | | | | 1,750 | - | - |
| ,, Salaries, Rent, and Expenses | | | | | 620 | - | - | ,, Stock, 31st Dec. | | | | | 984 | - | - |
| ,, Bal., NET PROFIT | | | | | 366 | - | - | | | | | | | | |
| | | | | | £2,734 | - | - | | | | | | £2,734 | - | - |

HEAD OFFICE JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|-------------------------------------|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Dec. 31 | Branch Profit and Loss Account . . | 2,368 | — | — | 2,368 | — | — |
| | To Branch Account | | | | | | |
| | Coal from Head Office | £1,748 | | | | | |
| | Salaries, Rent, etc. | 620 | | | | | |
| | Balances transferred. | | | | | | |
| „ 31 | Branch Account | 2,734 | — | — | 2,734 | — | — |
| | To Branch Profit and Loss Account | | | | | | |
| | Sale of Coal | £1,750 | | | | | |
| | Stock, 31st Dec. | 984 | | | | | |
| | Balances transferred. | | | | | | |
| „ 31 | Branch Profit and Loss Account . . | 366 | — | — | 366 | — | — |
| | To Head Office Profit and Loss A/c. | | | | | | |
| | Balance transferred. | | | | | | |
| „ 31 | Cash | 78 | — | — | | | |
| | Debtors | 640 | — | — | | | |
| | Stock | 984 | — | — | | | |
| | Horses and Carts | 280 | — | — | | | |
| | To Branch Account | | | | 1,982 | — | — |
| | Balances transferred. | | | | | | |
| „ 31 | Branch Account | 1,616 | — | — | | | |
| | To Sundry Creditors | | | | 42 | — | — |
| | „ Head Office Adjustment | | | | 1,574 | — | — |
| | Balances transferred. | | | | | | |
| | | £9,066 | — | — | £9,066 | — | — |

EXERCISE XIV—No. 14.

See *Advanced Accounts*, Chapter XIV.

EXERCISE XIV—No. 15.

The Remittance to the Branch for £500 would be deducted from the Branch Account and shown as a "Remittances in Transit Account." This item would not then show as a charge against the Branch, but as a separate item in the Balance Sheet. (See also *Advanced Accounts*, under "Goods and Remittances in Transit.")

EXERCISE XIV—No. 16.

Dr.

BRANCH TRADING ACCOUNTS

Cr.

| | K. | P. | Q. | Total. | | K. | P. | Q. | Total. |
|-----------------|--------|--------|--------|--------|--------------|--------|--------|--------|--------|
| To Branches— | £ | £ | £ | £ | By Branches— | £ | £ | £ | £ |
| Goods from | | | | | Sales . . . | 1,000 | 900 | 1,350 | 3,250 |
| H.O. . . | 700 | 600 | 900 | 2,200 | Returns to | | | | |
| Returns l/wds | 50 | 36 | 60 | 146 | H.O. . . | 10 | 9 | 21 | 40 |
| " Branch Profit | | | | | Stocks, | | | | |
| and Loss A/cs | 360 | 393 | 521 | 1,274 | 31st Dec. . | 100 | 120 | 110 | 330 |
| (Gross Profits) | | | | | | | | | |
| | £1,110 | £1,029 | £1,481 | £3,620 | | £1,110 | £1,029 | £1,481 | £3,620 |

Dr.

BRANCH PROFIT AND LOSS ACCOUNTS

Cr.

| | K. | P. | Q. | Total. | | K. | P. | Q. | Total. |
|----------------|------|------|------|--------|-------------------|------|------|------|--------|
| To Branches— | £ | £ | £ | £ | By Branch Trading | £ | £ | £ | £ |
| Rent, Rates, | | | | | Accounts . . | 360 | 393 | 521 | 1,274 |
| etc. . . . | 31 | 29 | 40 | 100 | | | | | |
| Wages and | | | | | | | | | |
| Salaries . . | 39 | 40 | 45 | 124 | | | | | |
| " Balance, Net | | | | | | | | | |
| Profit trans- | | | | | | | | | |
| ferred to H.O. | 290 | 324 | 436 | 1,050 | | | | | |
| P. & L. A/c . | | | | | | | | | |
| | £360 | £393 | £521 | £1,274 | | £360 | £393 | £521 | £1,274 |

Dr.

BRANCH DEBTORS' ACCOUNT

Cr.

| | K. | P. | Q. | Total. | | K. | P. | Q. | Total. |
|------------------|--------|------|--------|--------|-------------------|--------|------|--------|--------|
| To Sales . . . | £1,000 | £900 | £1,350 | £3,250 | By Returns l/wds. | £50 | £36 | £60 | £146 |
| | | | | | " Cash . . . | 850 | 720 | 1,200 | 2,770 |
| | | | | | " Balance c/d . | 100 | 144 | 90 | 334 |
| | £1,000 | £900 | £1,350 | £3,250 | | £1,000 | £900 | £1,350 | £3,250 |
| To Balance b/d . | 100 | 144 | 90 | 334 | | | | | |

EXERCISE XIV—No. 17.

THE MANUFACTURING CO., LTD.

Dr. TRADING AND PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | Head Office. | | | Branch A. | | | Branch B. | | | TOTAL. | | | Branch A. | | | Branch B. | | | TOTAL. | | |
|--|--------------|----|----|-----------|----|----|-----------|----|----|----------|----|----|-----------|----|----|-----------|----|--------|----------|----|----|
| | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| To Stock, 1st Jan. | 11,245 | 5 | 1 | 2,812 | 3 | 7 | 1,894 | 17 | 6 | 16,052 | 6 | 2 | 138,434 | 2 | 5 | 112,517 | 2 | 53,540 | 138,434 | 2 | 5 |
| " Purchases, Net | 65,090 | 5 | 11 | 94,167 | 2 | 3 | 44,267 | — | 2 | 65,090 | 5 | 11 | 138,434 | 2 | 5 | — | 2 | 53,540 | 166,057 | 6 | 5 |
| " Goods from H.O. | 39,851 | 1 | 11 | 2,419 | — | 5 | 2,622 | 3 | 4 | 44,692 | 5 | 3 | 10,527 | 4 | 5 | 3,024 | 12 | 1 | 15,479 | 5 | 10 |
| " Wages | 32,974 | 13 | 11 | 16,143 | 6 | 5 | 6,583 | 14 | 7 | 55,701 | 14 | 11 | — | — | — | — | — | — | — | — | — |
| " Balance | | | | | | | | | | | | | | | | | | | | | |
| Gross Profit | £148,961 | 6 | 10 | £115,541 | 12 | 3 | £55,467 | 15 | 7 | £319,970 | 14 | 8 | £148,961 | 6 | 10 | £115,541 | 12 | 3 | £319,970 | 14 | 8 |
| To Salaries | 1,500 | — | — | 247 | 14 | 4 | 276 | 6 | 6 | 2,024 | — | 10 | 32,974 | 13 | 11 | 16,143 | 6 | 5 | 55,701 | 14 | 11 |
| " Car. to Branches | 1,516 | 14 | 7 | 442 | 6 | 7 | 328 | 14 | 4 | 1,516 | 14 | 7 | — | — | — | — | — | — | — | — | — |
| " Rates and Taxes | 323 | 2 | 9 | 2,016 | 4 | 6 | 1,796 | 6 | 8 | 4,330 | 3 | 8 | — | — | — | — | — | — | — | — | — |
| " General Exps. | 517 | 9 | 2 | 1,552 | 8 | 2 | 746 | 17 | 11 | 2,239 | 6 | 1 | — | — | — | — | — | — | — | — | — |
| " Bad Debts | 447 | 10 | 8 | — | — | — | — | — | — | 447 | 10 | 8 | — | — | — | — | — | — | — | — | — |
| " Income Tax | 1,000 | — | — | — | — | — | — | — | — | 1,000 | — | — | — | — | — | — | — | — | — | — | — |
| " Directors' Fees | 105 | — | — | 240 | 10 | 1 | 134 | 5 | 1 | 105 | — | — | — | — | — | — | — | — | — | — | — |
| " Audit Fee | — | — | — | — | — | — | — | — | — | 374 | 15 | 2 | — | — | — | — | — | — | — | — | — |
| " Bad Debts Res. | — | — | — | — | — | — | — | — | — | 800 | — | — | — | — | — | — | — | — | — | — | — |
| " Depreciation— Furniture, etc. 10% | 800 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| " 5% | 25 | — | — | 35 | — | — | 40 | — | — | 100 | — | — | — | — | — | — | — | — | — | — | — |
| " Bal., Net Profit. | 26,739 | 16 | 9 | 11,609 | 2 | 9 | 3,261 | 4 | 1 | 41,610 | 3 | 7 | £32,974 | 13 | 11 | £16,143 | 6 | 5 | £55,701 | 14 | 11 |
| | £32,974 | 13 | 11 | £16,143 | 6 | 5 | £3,583 | 14 | 7 | £55,701 | 14 | 11 | £32,974 | 13 | 11 | £16,143 | 6 | 5 | £55,701 | 14 | 11 |

| Dr. | APPROPRIATION ACCOUNT | | | Cr. | | |
|--|-----------------------|----|----|------------------------------|--------|----|
| | £ | s. | d. | £ | s. | d. |
| To Goodwill (amount written off) | — | — | — | By Balance, 1st Jan. | — | — |
| " Reserve Account | — | — | — | " Current year's Profits— | — | — |
| " Balance to Balance Sheet | — | — | — | Head Office | — | — |
| | | | | Branch A | — | — |
| | | | | Branch B | — | — |
| | | | | | £ | |
| | | | | | 43,784 | 5 |

Cy.

| <i>Drs.</i> | GENERAL PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | | | <i>Crs.</i> |
|--------------------------------------|--|-----------|-----------|---|--|-----------|-------------|
| | <i>f.</i> | <i>s.</i> | <i>d.</i> | | <i>f.</i> | <i>s.</i> | <i>d.</i> |
| To Factory Loss | - | 3,354 | 18 | 5 | . | . | . |
| " Salaries | . | 3,519 | 6 | 8 | . | . | . |
| " Income Tax | . | 650 | - | - | . | . | . |
| " Directors' Fees | . | 1,500 | - | - | . | . | . |
| " Auditors' Fees | . | 105 | - | - | . | . | . |
| " Debenture Interest | . | 2,000 | - | - | . | . | . |
| " Balance to Balance Sheet | . | 13,033 | 6 | 5 | . | . | . |
| | <i>£</i> | 24,102 | 11 | 6 | | | |
| | | | | | By Head Office Profit from last year | . | . |
| | | | | | " Net Profit of Branches— | | |
| | | | | | A | 18,937 | 5 |
| | | | | | B | 3,604 | 3 |
| | | | | | | <i>£</i> | 24,102 |
| | | | | | | | 11 |
| | | | | | | | 6 |

EXERCISE XIV—No. 19.

THE UNITED KINGDOM TRADING CO., LTD.

Dr. BRANCH TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 19.. Cr.

| | Northern. | | | Southern. | | | TOTAL. | | | Northern. | | | Southern. | | | TOTAL. | | |
|-----------------------------------|-----------|----|----|-----------|----|----|--------|----|----|-----------|----|----|-----------|----|----|--------|----|----|
| | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| To Stocks, 1st April . | 2,879 | 2 | 3 | | | | | | | | | | | | | | | |
| " Purchases . . . | 8,368 | 4 | 5 | | | | | | | | | | | | | | | |
| " Allowances to Southern Branch | 46 | 5 | — | | | | | | | | | | | | | | | |
| " Wages . . . | 3,495 | 13 | 4 | | | | | | | | | | | | | | | |
| " Bal., Gross Profit | 3,943 | 15 | 10 | | | | | | | | | | | | | | | |
| £ | 18,733 | — | 10 | | | | | | | | | | | | | | | |
| To Trade Expenses . | 754 | 10 | — | | | | | | | | | | | | | | | |
| " Salaries . . . | 290 | — | — | | | | | | | | | | | | | | | |
| " Rent, Rates & Taxes | 455 | — | — | | | | | | | | | | | | | | | |
| " Bad Debts Reserve | 250 | — | — | | | | | | | | | | | | | | | |
| " Disc't. Res. on Drs. | 156 | 2 | 10 | | | | | | | | | | | | | | | |
| " Deprec'n. of Plant | 262 | 10 | — | | | | | | | | | | | | | | | |
| " Bal., Net Profits of Branches . | 1,775 | 13 | — | | | | | | | | | | | | | | | |
| £ | 3,943 | 15 | 10 | | | | | | | | | | | | | | | |
| By Sales, Net . . . | | | | | | | | | | | | | | | | | | |
| " Allowances from Northern Branch | | | | | | | | | | | | | | | | | | |
| " Stocks, 31st Mar. . | | | | | | | | | | | | | | | | | | |
| £ | 18,733 | — | 10 | | | | | | | | | | | | | | | |
| By Trading A/cs . . . | | | | | | | | | | | | | | | | | | |
| £ | 3,943 | 15 | 10 | | | | | | | | | | | | | | | |
| £ | 3,943 | 15 | 10 | | | | | | | | | | | | | | | |
| £ | 3,943 | 15 | 10 | | | | | | | | | | | | | | | |

EXERCISE XIV—No. 19 (contd.).

THE UNITED KINGDOM TRADING CO., LTD.
BALANCE SHEET AS AT 31st MARCH, 19..

| CAPITAL AND LIABILITIES. | | PROPERTY AND ASSETS. | |
|----------------------------------|---------------|---|---------------|
| <i>Issued Capital—</i> | | <i>Plant and Machinery</i> | |
| 13,000 Shares of £1 each | £ 13,000 | (Northern Branch) | £ 3,500 |
| Less Calls in Arrears | 245 | Less Depreciation | 262 10 |
| | | | 3,237 10 |
| 4½% Debentures | | <i>Plant and Machinery</i> | |
| Reserve Fund Account | | (Southern Branch) | £ 2,500 |
| <i>Sundry Creditors—</i> | | Less Depreciation | 187 10 |
| Northern Branch | £ 1,533 17 11 | <i>Goodwill—</i> | |
| Southern Branch | 662 4 9 | Northern Branch | £ 3,000 |
| | | Southern Branch | 2,500 |
| | | <i>Stocks—</i> | |
| <i>Items Outstanding—</i> | | Northern Branch | £ 2,960 17 9 |
| Interest on Debentures | 112 10 | Southern Branch | 1,564 10 2 |
| <i>Expenses: Southern Branch</i> | 75 | <i>Branch Debtors—</i> | |
| Head Office | 55 | Northern Branch | £ 3,784 |
| Wages—Northern Branch | 125 | Less Bad Debts Res. | — 6 |
| Directors' Fees | 750 | " Discount Res. | 338 7 |
| | | | 2,960 7 2 |
| <i>Profit and Loss Account—</i> | | | 195 17 8 |
| Balance, 1st April, 19.. | £ 500 | Southern Branch | |
| Add Current Year's Profit | 1,324 11 3 | Less Bad Debts Res. | £ 125 /— |
| | | " Discount Res. | £ 70 / 17 8 |
| | | 2½% Consols (investment on account of Reserve Fund) | |
| | | Interest due on Investment | |
| | | (as above) | |
| | | Cash at Bank | |
| | | Rates Prepaid (Head Office) | |
| | | | £ 26,893 3 11 |
| | | | 26,893 3 11 |

EXERCISE XIV—No. 20.

JOURNAL OF HEAD OFFICE

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|---|--------|----|----|--------|----|----|
| | | | | | | | |
| | South Africa Factory (Current A/c) . | 5,000 | - | - | | | |
| | To Bills Payable | | | | 5,000 | - | - |
| | Our acceptance of bills drawn on H.O. by Manager in S.A. | | | | | | |
| | Head Office Profit and Loss A/c . . | 2,000 | - | - | | | |
| | To South Africa Factory (Cur. A/c) . | | | | 2,000 | - | - |
| | For loss on working S.A. factory transferred. | | | | | | |
| | | £7,000 | - | - | £7,000 | - | - |

CASH BOOK OF HEAD OFFICE
(CREDIT SIDE)

| | | Bank. | |
|------|---|--------|-------|
| 19.. | | £ | s. d. |
| | By South Africa Factory (Current A/c) | 10,000 | - - |

EXERCISE XIV—No. 21.

The answer to this question may be taken from *Advanced Accounts*.

EXERCISE XIV—No. 22.

BRANCH TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 19..

Dr.

Cr.

| | Invoice Price. | | Net. | | Invoice Price. | | Net. | |
|---------------------------------|----------------|-------|--------|-------|------------------------------|-------|--------|-------|
| | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| To Stock, 1st Jan. | 1,250 | — | 1,000 | — | By Sales— | — | 5,400 | — |
| " Goods from Head Office . . . | 9,100 | — | 7,280 | — | Cash | — | 3,500 | — |
| " Balance (apparent gain) . . . | 50 | — | 1,820 | — | Credit | — | 1,500 | — |
| " Balance, Gross Profit | 10,400 | — | 10,100 | — | " Stock, 31st Dec. | — | 10,400 | — |
| | £ | — | — | — | | — | 1,820 | — |
| To Wages | — | — | 340 | — | By Trading Account | — | — | — |
| " Rent | — | — | 400 | — | | — | — | — |
| " Sundry Expenses | — | — | 80 | — | | — | — | — |
| " Balance, Net Profit | — | — | 1,000 | — | | — | — | — |
| | — | — | £1,820 | — | | — | £1,820 | — |

EXERCISE XIV—No. 23.

A B MERCHANT TRADING CO., LTD.

Dr. TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| Dr. | London. | | Brazil. | | TOTAL. | | London. | | Brazil. | | TOTAL. | |
|---------------------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|---------|-------|
| | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| To Stocks, 1st Jan. | 15,000 | — | — | — | 27,000 | — | 80,000 | — | 105,000 | — | 185,000 | — |
| „ Purchases | 60,000 | — | 3,000 | — | 63,000 | — | 16,000 | — | 13,000 | — | 29,000 | — |
| „ Goods from London | — | — | 80,000 | — | 80,000 | — | — | — | — | — | — | — |
| „ Landing Chgs. | — | — | 8,000 | — | 8,000 | — | — | — | — | — | — | — |
| „ Balance, Gross | 21,000 | — | 15,000 | — | 36,000 | — | — | — | — | — | — | — |
| PROFIT | £ | — | £ | — | £ | — | £ | — | £ | — | £ | — |
| | 96,000 | — | 118,000 | — | 214,000 | — | 96,000 | — | 118,000 | — | 214,000 | — |
| To Directors' Fees | 500 | — | — | — | 500 | — | — | — | — | — | — | — |
| „ Salaries. | 850 | — | 2,500 | — | 3,350 | — | — | — | — | — | — | — |
| „ Office Rent, &c. | 150 | — | 1,700 | — | 1,850 | — | — | — | — | — | — | — |
| „ Balance, NET | 19,500 | — | 10,800 | — | 30,300 | — | — | — | — | — | — | — |
| PROFIT | £ | — | £ | — | £ | — | £ | — | £ | — | £ | — |
| | 21,000 | — | 15,000 | — | 36,000 | — | 21,000 | — | 15,000 | — | 36,000 | — |

A B MERCHANT TRADING CO., LTD.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | PROPERTY AND ASSETS. | |
|--|----------|----------------------|---------|
| £ | s. d. | £ | s. d. |
| <i>Nominal Capital—</i> | | | |
| 5,000 5% Preference Shares of £10 each | 50,000 | 10,000 | — |
| 50,000 Ordinary Shares of £1 each | 50,000 | 6,000 | — |
| | | | 16,000 |
| | | | 300 |
| | £100,000 | 16,000 | — |
| | | 13,000 | — |
| | | | 29,000 |
| <i>Issued Capital—</i> | | | |
| 5,000 5% Preference Shares, £5 per share paid | 25,000 | 300 | — |
| 50,000 Ordinary Shares of £1 each, 10/- per share paid | 25,000 | 27,000 | — |
| | | | 27,300 |
| | | | 10,000 |
| <i>Sundry Creditors—</i> | | | |
| London | 4,000 | 2,550 | — |
| Brazil Branch | 1,500 | 2,000 | — |
| | | | 4,550 |
| <i>Expenses Outstanding.</i> | | | |
| <i>Profit and Loss Account—</i> | | | |
| Balance at Head Office, 1st Jan. | 1,200 | | |
| Add Current Year's Profits— | | | |
| London | | | |
| Brazil Branch | 30,300 | | |
| | | | £87,150 |

EXERCISE XIV—No. 24.

BRANCH TRADING AND PROFIT AND LOSS ACCOUNT

Dr. FOR THE HALF-YEAR ENDED 30TH JUNE, 19.. *Cr.*

| | £ | s. | d. | | £ | s. | d. |
|-----------------------|----------|----|----|----------------------|----------|----|----|
| To Purchases . . . | 4,200 | — | — | By Sales . . . | 54,180 | — | — |
| „ Wages . . . | 5,700 | — | — | | | | |
| „ Bal., GROSS PROFIT. | 44,280 | — | — | | | | |
| | £ 54,180 | — | — | | £ 54,180 | — | — |
| To Salaries . . . | 560 | — | — | By Trading Account . | 44,280 | — | — |
| „ Directors' Fees . | 200 | — | — | | | | |
| „ Discounts . . . | 2,500 | — | — | | | | |
| „ Fire Insurance . | 240 | — | — | | | | |
| „ Balance, NET PROFIT | | | | | | | |
| transferred to | | | | | | | |
| H.O. A/c . . . | 40,780 | — | — | | | | |
| | £ 44,280 | — | — | | £ 44,280 | — | — |

BALANCE SHEET AS AT 30TH JUNE, 19..

(Newcastle-on-Tyne Branch)

| LIABILITIES. | £ | s. | d. | ASSETS. | £ | s. | d. |
|-----------------------|----------|----|----|----------------------|----------|----|----|
| Sundry Creditors . . | 3,690 | — | — | Cash . . . | 60 | — | — |
| Head Office Account . | 54,440 | — | — | Bank . . . | 1,450 | — | — |
| | | | | Debtors . . . | 56,380 | — | — |
| | | | | Fire Insurance . . . | 240 | — | — |
| | | | | (unexpired) | | | |
| | £ 58,130 | — | — | | £ 58,130 | — | — |

| Dr. | | HEAD OFFICE ACCOUNT | | | | Cr. | | | |
|-----------------|----------------------------------|---------------------|------|------|----------------|--------------------------|----------|------|------|
| 19.. June 30 | To Remittances from Branch . . . | £ 29,560 | s. — | d. — | 19.. Jan. 1 | By Balance . . . | £ 44,720 | s. — | d. — |
| " 30 | " Premises Extension . | 1,500 | — | — | June 30 | " Profit and Loss A/c . | 40,780 | — | — |
| " 30 | " Balance c/d . . . | 54,440 | — | — | | (NET PROFIT transferred) | | | |
| | | £ 85,500 | — | — | | | £ 85,500 | — | — |
| | | | | | June 30 | By Balance b/d . . . | 54,440 | — | — |

| Dr. | | REMITTANCES TO HEAD OFFICE ACCOUNT | | | | | | | | Cr. | |
|-------------------|-----------------|------------------------------------|--------|----|----|-----------------|----------------------|---|--------|-----|----|
| 19.. Jan.-June | To Cash | £ | 29,560 | s. | d. | 19.. June 30 | By Head Office A/c . | £ | 29,560 | s. | d. |
| | | | | | | | | | | | |

EXERCISE XIV—No. 24 (*contd.*).

| <i>Dr.</i> | | PREMISES EXTENSION ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|-----------------|----------------------------|----|----|---------|----------------------|-------|------------|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan.-June | To Cash | 1,500 | - | - | June 30 | By Head Office A/c . | 1,500 | - | - |

EXERCISE XIV—No. 25.

The tea sold through brokers would, of course, require no change of method to that normally employed in accounting.

The question of dealing with remittances to Ceylon, and the expenditure in Ceylon will require double columns, one for currency and the other for sterling.

Remittances would be charged against Ceylon at the rate ruling when sent.

The expenditure in Ceylon would be converted at the average for the period under review.

EXERCISE XIV—No. 26.

CHICAGO TRIAL BALANCE

(CONVERTED)

| | Rate. | £ | s. | d. | £ | s. | d. |
|---|-------|----------|----|----|--------|----|----|
| Fixtures and Fittings | 4-88 | 1,070 | 7 | 8 | | | |
| Bills Receivable | 5-04 | 2,347 | 16 | — | | | |
| Sundry Debtors | 5-04 | 3,905 | 5 | 4 | | | |
| Sundry Creditors | 5-04 | | | | 940 | 14 | 8 |
| Stock, 1st Jan. | 4-87 | 2,125 | 9 | 2 | | | |
| Purchases | 4-96 | 7,445 | 13 | 10 | | | |
| Sales | 4-96 | | | | 13,608 | 19 | 6 |
| Discounts Allowed | 4-96 | 252 | 3 | — | | | |
| Discounts Received | 4-96 | | | | 119 | 19 | — |
| Sundry Expenses | 4-96 | 557 | 19 | 8 | | | |
| Wages and Salaries | 4-96 | 1,376 | 2 | 4 | | | |
| Rent, Rates, Taxes, and Insurance | 4-96 | 292 | 11 | 4 | | | |
| Bad Debts | 4-96 | 51 | 14 | 10 | | | |
| Depreciation | 4-96 | 177 | 2 | 8 | | | |
| Cash in Hand | 5-04 | 180 | 13 | 2 | | | |
| Cash at Bank | 5-04 | 1,809 | 15 | — | | | |
| Head Office Account, 1st Jan. | — | | | | 12,745 | 2 | 10 |
| Remittances to Head Office | — | 5,797 | 7 | 4 | | | |
| Difference in Exchange (Loss) | — | 24 | 14 | 8 | | | |
| | | £ 27,414 | 16 | — | 27,414 | 16 | — |
| Stock, 31st Dec. @ 5-04 = £2,085/6/4. | | | | | | | |

HEAD OFFICE JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|---------|--|--------|----|----|--------|----|----|
| Dec. 31 | Remittances from Branch | 5,797 | 7 | 4 | | | |
| | To Branch Account | | | | 5,797 | 7 | 4 |
| | Balance transferred. | | | | | | |
| „ 31 | Branch Trading Account | 9,571 | 3 | — | | | |
| | To Branch Account | | | | 9,571 | 3 | — |
| | Stock, 1st Jan. £2,125/9/2 | | | | | | |
| | Purchases 7,445/13/10 | | | | | | |
| | Balances transferred. | | | | | | |
| „ 31 | Branch Account | 15,694 | 5 | 10 | | | |
| | To Branch Trading Account | | | | 15,694 | 5 | 10 |
| | Sales £13,608/19/6 | | | | | | |
| | Stock, 31st Dec. 2,085/6/4 | | | | | | |
| | Balances transferred. | | | | | | |
| „ 31 | Branch Trading Account | 6,123 | 2 | 10 | | | |
| | Branch Account | 119 | 19 | — | | | |
| | To Branch Profit and Loss A/c | | | | 6,243 | 1 | 10 |
| | Gross profit and discounts received transferred. | | | | | | |

HEAD OFFICE JOURNAL—(contd.).

| 19.. | | £ | s. | d. | £ | s. | d. |
|---------|--|---------|----|----|---------|----|----|
| Dec. 31 | Branch Profit and Loss Account | 2,732 | 8 | 6 | 2,732 | 8 | 6 |
| | To Branch Account | | | | | | |
| | Discounts Allowed | £252 | 3 | — | | | |
| | Sundry Expenses | 557 | 19 | 8 | | | |
| | Wages and Salaries | 1,376 | 2 | 4 | | | |
| | Rent, Rates, Taxes, etc. | 292 | 11 | 4 | | | |
| | Bad Debts | 51 | 14 | 10 | | | |
| | Depreciation | 177 | 2 | 8 | | | |
| | Difference in Exchange | 24 | 14 | 8 | | | |
| | Balances transferred. | | | | | | |
| „ 31 | Branch Profit and Loss Account | 3,510 | 13 | 4 | 3,510 | 13 | 4 |
| | To Head Office Profit and Loss A/c. | | | | | | |
| | NET PROFIT of branch transferred. | | | | | | |
| | | £43,548 | 19 | 10 | £43,548 | 19 | 10 |

Dr.

| | | | | | | | | | |
|-----------------|-------------------------|--------------|----------|----------|-------------------|-----------------|--------------|----------|----------|
| 19.. Dec. 31 | To Branch Account . . . | <u>5,797</u> | <u>7</u> | <u>4</u> | 19.. Jan.-Dec. | By Cash | <u>5,797</u> | <u>7</u> | <u>4</u> |
|-----------------|-------------------------|--------------|----------|----------|-------------------|-----------------|--------------|----------|----------|

Dr.

BRANCH ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|---------|------------------------|-----------------|----------|----------|---------|-----------------------|-----------------|----------|----------|
| Jan. 1 | To Balance . . . | 12,745 | 2 | 10 | Dec. 31 | By Remittances from | | | |
| Dec. 31 | " Branch Trading A/c . | 15,694 | 5 | 10 | | Branch . . . | 5,797 | 7 | 4 |
| " 31 | " Branch Profit and | | | | " 31 | " Branch Trading A/c. | 9,571 | 3 | — |
| | Loss A/c . . . | 119 | 19 | — | " 31 | " Branch Profit and | | | |
| | | | | | " 31 | Loss A/c . . . | 2,732 | 8 | 6 |
| | | | | | " 31 | " Balance c/d . . . | 10,458 | 8 | 10 |
| | | | | | | | | | |
| | | <u>£ 28,559</u> | <u>7</u> | <u>8</u> | | | <u>£ 28,559</u> | <u>7</u> | <u>8</u> |
| Dec. 31 | To Balance b/d . . . | 10,458 | 8 | 10 | | | | | |

Dr.

BRANCH TRADING ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | |
|---------|---|--------|----|----|---------|--------------------|--------|--------|----|----|
| Dec. 31 | To Branch Account— | | | | Dec. 31 | By Branch Account— | | | | |
| | Stock | 2,125 | 9 | 2 | | Sales | 13,608 | 19 | 6 | |
| | Purchases | 7,445 | 13 | 10 | | Stock | 2,085 | 6 | 4 | |
| " 31 | " Branch Profit and Loss Account (Gross Profit) | 6,123 | 2 | 10 | | | | | | |
| | £ | 15,694 | 5 | 10 | | | £ | 15,694 | 5 | 10 |

EXERCISE XIV—No. 26 (*contd.*).

| Dr. | | BRANCH PROFIT AND LOSS ACCOUNT | | | | Cr. | | | |
|---------|---|--------------------------------|----------|-----------|---------|-----------------------|---------------|----------|-----------|
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | | | | | 19.. | | | | |
| Dec. 31 | To Branch Account— | | | | Dec. 31 | By Branch Trading A/c | 6,123 | 2 | 10 |
| | Discounts Allowed | 252 | 3 | — | " 31 | " Discounts Received | 119 | 19 | — |
| | Sundry Expenses | 557 | 19 | 8 | | | | | |
| | Wages and Salaries | 1,376 | 2 | 4 | | | | | |
| | Rent, Rates, etc. | 292 | 11 | 4 | | | | | |
| | Bad Debts | 51 | 14 | 10 | | | | | |
| | Depreciation | 177 | 2 | 8 | | | | | |
| | Difference in Exchange | 24 | 14 | 8 | | | | | |
| " 31 | " Balance, NET PROFIT to H.O. P. & L. A/c | 3,510 | 13 | 4 | | | | | |
| | | <u>£6,243</u> | <u>1</u> | <u>10</u> | | | <u>£6,243</u> | <u>1</u> | <u>10</u> |

| <i>Dr.</i> | | BRANCH LEDGER | | | | <i>Cr.</i> | |
|------------|---------|----------------------------|------|---------|-------------|------------|------|
| | | REMITTANCES TO HEAD OFFICE | | | | | |
| | | Dols. | Cts. | | | Dols. | Cts. |
| 19.. | | | | 19.. | | | |
| Jan.-Dec. | To Cash | 29,500 | 000 | Dec. 31 | By H.O. A/c | 29,500 | 000 |

| <i>Dr.</i> | | HEAD OFFICE ACCOUNT | | | | <i>Cr.</i> | |
|------------|------------------------------|---------------------|-----------|---------|----------------------------|---------------|-----------|
| | | Dols. | Cts. | | | Dols. | Cts. |
| 19.. | | | | 19.. | | | |
| Dec. 31 | To Transfer from Remittances | 29,500 | 00 | Jan. 1 | By Balance | 64,134 | 90 |
| | " Balance c/d | 52,528 | 60 | Dec. 31 | " P. & L. A/c (NET PROFIT) | 17,893 | 70 |
| | | <u>82,028</u> | <u>60</u> | | | <u>82,028</u> | <u>60</u> |
| | | | | Dec. 31 | By Balance b/d | 52,528 | 60 |

| <i>Dr.</i> | | TRADING AND PROFIT AND LOSS ACCOUNT | | | | <i>Cr.</i> | |
|--------------------------|--|---|-----------|----------------------|--|---------------|-----------|
| | | FOR THE YEAR ENDING 31ST DECEMBER, 19.. | | | | | |
| | | Dols. | Cts. | | | Dols. | Cts. |
| To Stock, 1st Jan.. | | 10,351 | 00 | By Sales | | 67,500 | 50 |
| " Purchases | | 36,930 | 64 | " Stock, 31st Dec. | | 10,510 | 00 |
| " Balance c/d | | 30,728 | 86 | | | <u>78,010</u> | <u>50</u> |
| (GROSS PROFIT) | | <u>78,010</u> | <u>50</u> | | | | |
| To Discounts Allowed | | 1,250 | 68 | By Trading Account | | 30,728 | 86 |
| " Sundry Expenses | | 2,767 | 60 | " Discounts Received | | 594 | 96 |
| " Wages and Salaries | | 6,825 | 50 | | | <u>31,323</u> | <u>82</u> |
| " Rent, Rates, etc. | | 1,451 | 12 | | | | |
| " Bad Debts | | 878 | 58 | | | | |
| " Depreciation | | 256 | 64 | | | | |
| " NET PROFIT to H.O. A/c | | 17,893 | 70 | | | | |
| | | <u>31,323</u> | <u>82</u> | | | <u>31,323</u> | <u>82</u> |

EXERCISE XIV—No. 27.

The same as EXAMPLE 2 of *Advanced Accounts*, page 479, except that double the figures are employed.

EXERCISE XIV—No. 28

SHANGHAI TRIAL BALANCE (CONVERTED)

| | Rate. | £ | s. | d. | £ | s. | d. |
|---|-------|----------|----|----|--------|----|----|
| Head Office Account | — | | | | 15,270 | 2 | 6 |
| Remittances to Head Office | — | 2,850 | — | — | | | |
| Stock, 1st Jan. | 2/10 | 1,856 | 13 | 8 | | | |
| Freehold Land and Buildings | 3/4 | 3,000 | — | — | | | |
| Purchases | 3/2 | 6,814 | 13 | 4 | | | |
| Sales | 3/2 | | | | 10,766 | 19 | 8 |
| Sundry Debtors | 3/6 | 4,686 | 10 | — | | | |
| Sundry Creditors | 3/6 | | | | 2,581 | 19 | — |
| Fixtures and Fittings | 3/— | 949 | 19 | — | | | |
| Carriage and Freight (Inwards) | 3/2 | 416 | 11 | 6 | | | |
| Salaries | 3/2 | 460 | 8 | 8 | | | |
| Rates and Taxes | 3/2 | 105 | 18 | 6 | | | |
| Sundry Expenses | 3/2 | 57 | 15 | 10 | | | |
| Cash | 3/6 | 24 | 6 | 6 | | | |
| Bank | 3/6 | 2,387 | 14 | — | | | |
| Plant and Machinery | 3/6 | 3,150 | — | — | | | |
| Wages | 3/2 | 1,318 | 12 | — | | | |
| Depreciation | 3/2 | 399 | 19 | — | | | |
| Difference in Exchange (Loss) | — | 139 | 19 | 2 | | | |
| Stock, 31st Dec. @ 3s. 6d. = £2,027/18/-. | | £ 28,619 | 1 | 2 | 28,619 | 1 | 2 |

EXERCISE XIV—No. 28 (*contd.*).

HEAD OFFICE JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|--|--------------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Dec. 31 | Remittances from Branch . . . | 2,850 | - | - | 2,850 | - | - |
| | To Branch Account . . . | | | | | | |
| | Balance transferred. | | | | | | |
| " 31 | Branch Trading Account . . . | 10,406 | 10 | 6 | 10,406 | 10 | 6 |
| | To Branch Account . . . | | | | | | |
| | Stock, 1st Jan. . . | £1,856/13/8 | | | | | |
| | Purchases . . . | 6,814/13/4 | | | | | |
| | Carriage, etc. . . | 416/11/6 | | | | | |
| | Wages . . . | 1,318/12/- | | | | | |
| | Balances transferred. | | | | | | |
| " 31 | Branch Account . . . | 12,794 | 17 | 8 | 12,794 | 17 | 8 |
| | To Branch Trading Account . . . | | | | | | |
| | Sales . . . | £10,766/19/8 | | | | | |
| | Stock, 31st Dec. . . | 2,027/18/- | | | | | |
| | Balances transferred. | | | | | | |
| " 31 | Branch Trading Account . . . | 2,388 | 7 | 2 | 2,388 | 7 | 2 |
| | To Branch Profit and Loss A/c . . . | | | | | | |
| | Balance transferred. | | | | | | |
| " 31 | Branch Profit and Loss Account . . . | 1,164 | 1 | 2 | 1,164 | 1 | 2 |
| | To Branch Account . . . | | | | | | |
| | Salaries . . . | £460/8/8 | | | | | |
| | Rates and Taxes . . . | 105/18/6 | | | | | |
| | Sundry Expenses . . . | 57/15/10 | | | | | |
| | Depreciation . . . | 399/19/- | | | | | |
| | Difference in Exchange . . . | 139/19/2 | | | | | |
| | Balances transferred. | | | | | | |
| " 31 | Branch Profit and Loss Account . . . | 1,224 | 6 | - | 1,224 | 6 | - |
| | To Head Office Profit and Loss A/c . . . | | | | | | |
| | NET PROFIT of branch transferred. | | | | | | |
| | | £ 30,828 | 2 | 6 | 30,828 | 2 | 6 |

HEAD OFFICE LEDGER

Dr.

REMITTANCES FROM BRANCH

Cr.

| | £ | s. | d. | | £ | s. | d. |
|---------|-------------------------|-------|----|-----------|---------------|-------|----|
| 19.. | | | | 19.. | | | |
| Dec. 31 | To Branch Account . . . | 2,850 | - | Jan.-Dec. | By Cash . . . | 2,850 | - |

EXERCISE XIV—No. 28 (*contd.*).

| <i>Dr.</i> | | BRANCH ACCOUNT | | | | <i>Cr.</i> | | |
|------------|-----------------------|----------------|--------|----|---------|------------------------|--------|----|
| | | £ | s. | d. | | £ | s. | d. |
| 19.. | | | | | 19.. | | | |
| Jan. 1 | To Balance | 15,270 | 2 | 6 | Dec. 31 | By Remittances from | | |
| Dec. 31 | „ Branch Trading A/c. | 12,794 | 17 | 8 | | Branch | 2,850 | — |
| | | | | | „ 31 | „ Branch Trading A/c. | 10,406 | 10 |
| | | | | | „ 31 | „ Branch Profit & Loss | 1,164 | 1 |
| | | | | | „ 31 | „ Balance c/d . . . | 13,644 | 8 |
| | | £ | 28,065 | — | | £ | 28,065 | — |
| Dec. 31 | To Balance b/d . . . | 13,644 | 8 | 6 | | | | |

| Dr. | | BRANCH TRADING ACCOUNT | | | | | | Cr. | | | |
|---------|----------------------|------------------------|--------|-------|---|---------|--------------------|--------|--------|-------|---|
| 19.. | | £ | | s. d. | | 19.. | | £ | | s. d. | |
| Dec. 31 | To Branch Account— | | | | | Dec. 31 | By Branch Account— | | | | |
| | Stock, 1st Jan.. | 1,856 | 13 | 8 | | | Sales | 10,766 | 19 | 8 | |
| | Purchases | 6,814 | 13 | 4 | | | Stock, 31st Dec. | 2,027 | 18 | — | |
| | Carriage, etc. | 416 | 11 | 6 | | | | | | | |
| | Wages | 1,318 | 12 | — | | | | | | | |
| „ 31 | „ Branch P. & L. A/c | 2,388 | 7 | 2 | | | | | | | |
| | | £ | 12,794 | 17 | 8 | | | £ | 12,794 | 17 | 8 |

| <i>Dr.</i> | | BRANCH PROFIT AND LOSS ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|---------------------------------------|--------------------------------|----------|----------|---------|-----------------------|---------------|----------|----------|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 31 | To <i>Branch Account</i> — | | | | Dec. 31 | By Branch Trading A/c | 2,388 | 7 | 2 |
| | Salaries | 460 | 8 | 8 | | | | | |
| | Rates and Taxes . . | 105 | 18 | 6 | | | | | |
| | Sundry Expenses . . | 57 | 15 | 10 | | | | | |
| | Depreciation . . . | 399 | 19 | — | | | | | |
| | Difference in Ex- change | 139 | 19 | 2 | | | | | |
| „ 31 | „ NET PROFIT to H.O. | | | | | | | | |
| | Profit & Loss A/c | 1,224 | 6 | — | | | | | |
| | | <u>£2,388</u> | <u>7</u> | <u>2</u> | | | <u>£2,388</u> | <u>7</u> | <u>2</u> |

| <i>Dr.</i> | | BRANCH LEDGER | | | | <i>Cr.</i> | |
|------------|-----------------|----------------------------|--|--|---------|--------------------|--------|
| | | REMITTANCES TO HEAD OFFICE | | | | | |
| | | Taels. | | | | Taels. | |
| 19.. | | | | | 19.. | | |
| Jan.-Dec. | To Cash | 19,000 | | | Dec. 31 | By Head Office A/c | 19,000 |

EXERCISE XIV—No. 28 (contd.).

| <i>Dr.</i> | | HEAD OFFICE ACCOUNT | | <i>Cr.</i> | |
|------------|---------------------------------|---------------------|---------|----------------------------------|--------|
| 19.. | | Taels. | 19.. | | Taels. |
| Dec. 31 | To Remittances to Head Office . | 19,000 | Jan. 1 | By Balance. . . | 92,713 |
| " 31 | " Balance c/d . | 79,730 | Dec. 31 | " Profit & Loss A/c (NET PROFIT) | 6,017 |
| | | 98,730 | | | 98,730 |
| | | | Dec. 31 | By Balance b/d . | 79,730 |

TRADING AND PROFIT AND LOSS ACCOUNT

| <i>Dr.</i> | | FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | <i>Cr.</i> | |
|------------------------------|--|--|------------------------------|------------|--------|
| | | Taels. | | | Taels. |
| To Stock, 1st Jan. | | 13,106 | By Sales | | 68,002 |
| " Purchases | | 43,040 | " Stock, 31st Dec. | | 11,588 |
| " Carriage, etc. | | 2,631 | | | |
| " Wages | | 8,328 | | | |
| " Balance c/d (GROSS PROFIT) | | 12,485 | | | |
| | | 79,590 | | | 79,590 |
| To Salaries | | 2,908 | By Trading Account | | 12,485 |
| " Rates and Taxes | | 669 | | | |
| " Sundry Expenses | | 365 | | | |
| " Depreciation. | | 2,526 | | | |
| " NET PROFIT to H.O. A/c . | | 6,017 | | | |
| | | 12,485 | | | 12,485 |

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | | Taels. | ASSETS. | | Taels. |
|-------------------------------|--|--------|---------------------------------|--|--------|
| Sundry Creditors | | 14,754 | Cash in hand | | 139 |
| Head Office Account | | 79,730 | Cash at Bank | | 13,644 |
| | | | Sundry Debtors | | 26,780 |
| | | | Stock at close | | 11,588 |
| | | | Fixtures and Fittings | | 6,333 |
| | | | Plant and Machinery | | 18,000 |
| | | | Freehold Land and Buildings | | 18,000 |
| | | 94,484 | | | 94,484 |

EXERCISE XIV—No. 29.

FOREIGN BOOKS
JOURNAL

| 19.. | | Dols. | Cts. | Dols. | Cts. |
|---------|--|-----------------|----------|-----------------|----------|
| Jan. 31 | Stores Account To London Office Account. For sales purchased from London: £1,000 @ 9d. = \$13,334 @ 18d. std. | 26,667 | - | 26,667 | - |
| " 31 | Stores Account To Sundry Creditors. For stores purchased locally: \$3,000 @ 9d. = \$1,500 @ 18d. std. | 3,000 | - | 3,000 | - |
| " 31 | Stores Consumed Account To Stores Account For stores used on revenue: \$6,000 @ 18d. std. = \$12,000 @ 9d. | 12,000 | - | 12,000 | - |
| " 31 | Capital Expenditure Account To Stores Account For stores used on capital: \$4,000 @ 18d. std. = \$8,000 @ 9d. | 8,000 | - | 8,000 | - |
| " 31 | Sundry Debtors To Work Done Account For gross revenue earned. | 40,000 | - | 40,000 | - |
| " 31 | Trade Expenses Account To Sundry Creditors. For expenses accrued. | 6,000 | - | 6,000 | - |
| | | <u>\$95,667</u> | <u>-</u> | <u>\$95,667</u> | <u>-</u> |

PAPER BOOKS
JOURNAL

| 19.. | | Dols. | Cts. | Dols. | Cts. |
|---------|---|------------------|--------|------------------|--------|
| Dec. 31 | Bank Sundry Debtors To Sundry Creditors. " Conversions Account (For balances at this date.) | 10,000 40,000 | - - | 15,000 35,000 | - - |
| 19.. | | 50,000 | - | 50,000 | - |
| Jan. 31 | Conversions Account To Sundry Creditors. For stores purchased locally. | 3,000 | - | 3,000 | - |
| " 31 | Stores Consumed Account To Conversions Account For stores used on revenue: \$6,000 @ 18d. std. = \$12,000 @ 9d. | 12,000 | - | 12,000 | - |

EXERCISE XIV—No. 29 (contd.).

PAPER BOOKS—(contd.).

JOURNAL—(contd.).

| | | Dols. | Cts. | Dols. | Cts. |
|---------|----------------------------------|-----------|------|-----------|------|
| 19.. | | | | | |
| Jan. 31 | Sundry Debtors | 40,000 | — | | |
| | To Work Done. | | | 40,000 | — |
| | For gross revenue earned. | | | | |
| „ 31 | Trade Expenses Account | 6,000 | — | | |
| | To Sundry Creditors. | | | 6,000 | — |
| | (For expenses accrued.) | | | | |
| | | \$111,000 | — | \$111,000 | — |

GOLD BOOKS

JOURNAL

| | | Dols. | Cts. | Dols. | Cts. |
|---------|---|----------|------|----------|------|
| 19.. | | | | | |
| Dec. 31 | Stores Account | 31,666 | — | | |
| | Conversions Account | 18,475 | — | | |
| | To London Office (say) | | | 50,141 | — |
| | (For balances at this date) | 50,141 | — | 50,141 | — |
| 19.. | | | | | |
| Jan. 31 | Stores Account | 13,334 | — | | |
| | To London Office Account. | | | 13,334 | — |
| | For stores purchased from London: £1,000 = \$13,334 @ 18d. std. | | | | |
| „ 31 | Stores Account | 1,500 | — | | |
| | To Conversions Account | | | 1,500 | — |
| | For stores purchased from creditors: \$3,000 @ 9d. = \$1,500 @ 18d. std. | | | | |
| „ 31 | Conversions Account | 6,000 | — | | |
| | To Stores Account | | | 6,000 | — |
| | For stores used on revenue. | | | | |
| „ 31 | Capital Expenditure Account | 4,000 | — | | |
| | To Stores Account | | | 4,000 | — |
| | For stores used on Capital A/c. | | | | |
| „ 31 | Capital Expenditure | 1,500 | — | | |
| | To Conversions Account | | | 1,500 | — |
| | For wages paid on capital: £3,000 @ 9d. = \$1,500 @ 18d. std. | | | | |
| „ 31 | London Office Account | 7,000 | — | | |
| | To Conversions Account | | | 7,000 | — |
| | (For \$12,000 remitted @ 10½d. = \$7,000 @ 18d. std.) | | | | |
| | | \$83,475 | — | \$83,475 | — |

EXERCISE XIV—No. 29 (contd.).

FOREIGN BOOKS

| CASH BOOK | | | | Cr. | |
|-----------|-------------------|--------|------|---------|-------------------------------------|
| Dr. | | | | | |
| 19.. | | Dols. | Cts. | 19.. | |
| Dec. 31 | To Balance. | 10,000 | — | Jan. 31 | By Wages. |
| 19.. | | | | " 31 | " Capital Expenditure @ 9d. = £150. |
| Jan. 31 | To Sundry Debtors | 40,000 | — | " 31 | " Sundry Creditors |
| | | | | " 31 | " London Office @ 10½d. = £525 |
| | | | | " 31 | " Balance c/d. |
| | | 50,000 | — | | |
| | | | | | Dols. Cts. |
| | | | | | 8,000 — |
| | | | | | 3,000 — |
| | | | | | 16,000 — |
| | | | | | 12,000 — |
| | | | | | 11,000 — |
| | | | | | 50,000 — |

REVENUE ACCOUNT

| Dr. | | | | REVENUE ACCOUNT | | | | Cr. | |
|---------|--|--|--|-------------------------------------|------|------|---------|--------------|------|
| 19.. | | | | Dols. | Cts. | 19.. | | Dols. | Cts. |
| Jan. 31 | | | | To Stores Consumed | . | . | Jan. 31 | By Work Done | . |
| " 31 | | | | " Wages | . | . | | | |
| " 31 | | | | " Trade Expenses | . | . | | | |
| " 31 | | | | " Balance. | . | . | | | |
| | | | | (Net Profit to London Office @ 9d.) | | | | | |
| | | | | | | | | 40,000 | - |

BALANCE SHEET, 31ST JANUARY, 19..

| LIABILITIES. | | | | ASSETS. | | | |
|--------------|-----------------------------------|-------|------|---------|--|---------|------|
| Dr. | | | | Dols. | | | |
| 19.. | 19.. | Dols. | Cts. | 19.. | 19.. | Dols. | Cts. |
| Jan. 31 | Sundry Creditors | . | . | Jan. 31 | Bank. | 11,000 | |
| " 31 | London Office (£4,529 3/4 @ 10d.) | . | . | " 31 | Sundry Debtors | 40,000 | |
| | | | | " 31 | Stores in hand = (£36,500 @ Std. 18d.) | 65,700 | |
| | | | | | | 116,700 | |

FOREIGN BOOKS—(contd.).

| STORES ACCOUNT | | | | | Cr. | | |
|----------------|---------------------|-------|---------|---------|---------------------|-------|---------|
| Dr. | | | | | | | |
| 19.. | To Balance | Rate. | Std. \$ | 19.. | By Stores Consumed | Rate. | Std. \$ |
| Dec. 31 | | 9½ | 31,666 | Jan. 31 | Capital Expenditure | 9 | 6,000 |
| 19.. | | | | " 31 | " Balance c/d | 9 | 8,000 |
| Jan. 31 | To London Office | 9 | 13,334 | " 31 | " London Office | 10 | 36,500 |
| " 31 | " Sundry Creditors. | 9 | 1,500 | " 31 | (adjustment) | | 65,700 |
| | | | 46,500 | | | | 3,967 |
| | | | | | | | 89,667 |

CAPITAL EXPENDITURE ACCOUNT

| Dr. | | | | | Cr. | | |
|---------|-------------------|-------|---------|---------|------------------------------|-------|---------|
| 19.. | To Stores Account | Rate. | \$ | 19.. | By Transfer to London Office | Rate. | \$ |
| Jan. 31 | " Wages | 9 | 8,000 | Jan. 31 | | | 11,000 |
| " 31 | | 9 | 3,000 | | | | 11,000 |
| | | | £412 10 | | | | £412 10 |

LONDON OFFICE ACCOUNT

| Dr. | | | | | Cr. | | |
|---------|-----------------------|-------|-------------|---------|---------------------|-------|---------|
| 19.. | To Cash (Remittances) | Rate. | \$ | 19.. | By Balance | Rate. | \$ |
| Jan. 31 | Cap. Expenditure | 10½ | 12,000 | Dec. 31 | | 9½ | 95,000 |
| " 31 | " Stores (Adjusm't) | 9 | 11,000 | Jan. 31 | By Stores Account | 9 | 26,667 |
| " 31 | " Balance c/d | 10 | 3,967 | " 31 | " Revenue Account | 9 | 14,000 |
| " 31 | | | 108,700 | " 31 | " Profit on Exchge. | | £ |
| | | | £5,466 13 4 | | | | 135,667 |

EXERCISE XIV—No. 29 (*contd.*).

PAPER BOOKS

| <i>Dr.</i> | | CONVERSIONS ACCOUNT | | | | <i>Cr.</i> | |
|------------|-----------------------------|---------------------|------|---------|------------------------------------|------------|------|
| 19.. | | Dols. | Cts. | 19.. | | Dols. | Cts. |
| Jan. 31 | To Sundry Creditors . . . | 3,000 | — | Dec. 31 | By Balance | 35,000 | — |
| " 31 | " Capital Expenditure . . . | 3,000 | — | 19.. | | | |
| " 31 | " London Office | 12,000 | — | Jan. 31 | " Stores Consumed . . . | 12,000 | — |
| " 31 | " (Remittances) | | | " 31 | " Revenue Account . . . | 14,000 | — |
| " 31 | " Balance | 43,000 | — | | " (NET PROFIT transferred to L.O.) | | |
| | | 61,000 | — | | | 61,000 | — |

GOLD BOOKS

| <i>Dr.</i> | | STORES ACCOUNT | | | | <i>Cr.</i> | |
|------------|---------------------------|----------------|------|---------|----------------------------|------------|------|
| 19.. | | Dols. | Cts. | 19.. | | Dols. | Cts. |
| Dec. 31 | To Balance | 31,666 | — | Jan. 31 | By Conversions Account . . | 6,000 | — |
| 19.. | | | | " 31 | " Capital Expenditure . . | 4,000 | — |
| Jan. 31 | " London Office | 13,334 | — | " 31 | " Balance c/d | 36,500 | — |
| " 31 | " Conversions Account . . | 1,500 | — | | | 46,500 | — |
| | | 46,500 | — | | | | |

| <i>Dr.</i> | | CAPITAL EXPENDITURE ACCOUNT | | | | <i>Cr.</i> | |
|------------|---------------------------|-----------------------------|------|---------|--|------------|------|
| 19.. | | Dols. | Cts. | 19.. | | Dols. | Cts. |
| Jan. 31 | To Stores | 4,000 | — | Jan. 31 | By Transfer to London Office | 5,500 | — |
| " 31 | " Conversions Account . . | 1,500 | — | | | 5,500 | — |
| | " (Wages) | | | | | | |
| | | 5,500 | — | | | | |

| <i>Dr.</i> | | LONDON OFFICE ACCOUNT | | | | <i>Cr.</i> | |
|------------|---------------------------|-----------------------|------|---------|--------------------------|------------|------|
| 19.. | | Dols. | Cts. | 19.. | | Dols. | Cts. |
| Jan. 31 | To Conversions | 7,000 | — | Dec. 31 | By Balance | 50,141 | — |
| " 31 | " (Remittances) | | | 19.. | | | |
| " 31 | " Capital Expenditure . . | 5,500 | — | Jan. 31 | By Stores | 13,334 | — |
| " 31 | " Balance | 60,888 | — | " 31 | " Conversions | 7,000 | — |
| | | | | " 31 | " (NET PROFIT) | | |
| | | | | " 31 | " Profit on Exchange . . | 2,413 | — |
| | | 72,888 | — | | | 72,888 | — |

EXERCISE XIV—No. 30.

JOURNAL OF X, LTD.

| | | £ | s. | d. | £ | s. | d. |
|-----|---|-------|----|----|-------|----|----|
| (a) | Office Safe Account <i>Dr.</i> To Birmingham Branch Account . Office Safe purchased for Cash by Birmingham Branch. | 80 | — | — | 80 | — | — |
| (b) | Manchester Branch Account . . . <i>Dr.</i> To Goods sent to Branches Account . Goods supplied (at cost). | 47 | 15 | — | 47 | 15 | — |
| (c) | Liverpool Branch Debtors Account <i>Dr.</i> To Manchester Branch Debtors Ac- count Transfer of Account of A Debtor from Manchester to Liverpool Branch. | 29 | 10 | — | 29 | 10 | — |
| (d) | Manchester Branch P. and L. Ac- count <i>Dr.</i> To H. O. Profit and Loss Account . Transfer of net profit of Manchester Branch. | 1,599 | 6 | 8 | 1,599 | 6 | 8 |
| | H. O. Profit and Loss Account . . <i>Dr.</i> To Liverpool Branch P. and L. Account Transfer of net loss of Liverpool Branch. | 107 | 3 | 9 | 107 | 3 | 9 |

EXERCISE XIV—No 30 (*contd.*).

MANCHESTER BRANCH JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|-----|--|-------|----|----|-------|----|----|
| (c) | Liverpool Branch Account . . . <i>Dr.</i> | 29 | 10 | — | | | |
| | To Sundry Debtors Account . . . | | | | 29 | 10 | — |
| | Transfer of A Debtor's Account to Liverpool Branch Account. | | | | | | |
| (d) | Profit and Loss Account . . . <i>Dr.</i> | 1,599 | 6 | 8 | | | |
| | To Head Office Account . . . | | | | 1,599 | 6 | 8 |
| | Transfer of net profit to H. O. | | | | | | |

LIVERPOOL BRANCH JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|-----|---|-----|----|----|-----|----|----|
| (c) | Sundry Debtors Account . . . <i>Dr.</i> | 29 | 10 | — | | | |
| | To Manchester Branch Account . . | | | | 29 | 10 | — |
| | Transfer of A Debtor's Account from Manchester Branch. | | | | | | |
| (d) | Head Office Account . . . <i>Dr.</i> | 107 | 3 | 9 | | | |
| | To Profit and Loss Account . . . | | | | | | |
| | Transfer of net loss to H. O. . . . | | | | 107 | 3 | 9 |

EXERCISE XV (A)—No. 1.

THE EASTWOOD
APPLICATION AND

| No. of Application. | NAME. | ADDRESS. | Occupation. | No. of Shares Applied for. | Amount Paid on Application. |
|---------------------|------------------------|------------------------------|-------------|----------------------------|-----------------------------|
| | Willington, Ernest . . | 33 Rayleigh Street, E.C. . . | | 1,000 | £ 250 s. d. - - |

REGISTER OF TRANS

| No. of Transfer. | Date Transfer Registered. | TRANSFEROR'S. | | | | | S.L. Fo. | NAME. |
|------------------|---------------------------|---------------|------------------|----------------------------|-------------|---|-------------------|-------|
| | | S.L. Fo. | NAME. | ADDRESS. | Occupation. | | | |
| 1 | 19.. Mar. 6 | 6 | Gee, R. . . | 14 High Street, Burnham . | Surveyor | 1 | Willington, E. | |
| 2 | Apr. 8 | 1 | Willington, E. . | 33 Rayleigh Street, E.C. . | — | | Robinson, Peter . | |

(1) REGISTER OF MEMBERS AND

Name.....*Willington, Ernest*..... Occupation.....Address.....*33 Rayleigh Street, London, E.C.*.....

Dr.

CASH ACCOUNT

Cr.

| Date. | Particulars. | Fo. | Amount Called Up per Share. | Total Amount Called up. | Date. | Particulars. | Fo. | Total Amount Paid up. |
|--------------|--------------------------------|-----|-----------------------------|-------------------------|--------------|--------------|-----|-----------------------|
| 19.. Jan. 20 | To Application and Allotment . | | £ s. d. 10 - | £ s. d. 250 - - | 19.. Jan. 11 | By Cash . . | | £ 250 s. d. - - |
| Feb. 20 | To Call Account . | | 10 - | £250 - - | Feb. 20 | By Cash . . | | £250 - - |

TIMBER CO., LTD.

ALLOTMENTS BOOK (ORDINARY SHARES)

| No. of Shares Allotted. | Distinctive Numbers. | | S.L. Fo. | Amount Due on Application and Allotment. | Balance Due on Allotment. | Cash Paid on Allotment. | Cash Returned. | No. of Share Certificate. | Remarks. |
|-------------------------|----------------------|--------|----------|--|---------------------------|-------------------------|----------------|---------------------------|------------------------|
| | From | To | | | | | | | |
| 500 | 18,500 | 18,999 | | £ 250 s. - d. - | | | | | Letter of Regret No. - |

FERS (ORDINARY SHARES)

| TRANSFEREE'S. | | | SHARES TRANSFERRED. | | | | No. of New Certificates. | Remarks. |
|--------------------------|-------------|----------------|----------------------|-----|-----------------|-------|--------------------------|----------|
| ADDRESS. | Occupation. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | | | |
| | | | From. | To. | | | | |
| 33 Rayleigh Street, E.C. | — | 500 | 1 | 500 | £ | s. d. | | |
| 14 Dowgate, Southmmster | — | 100 | 1 | 100 | 500 | — — | | |
| | | | | | 100 | — — | | |

SHARE LEDGER (ORDINARY SHARES)

(1)

Date entered as a Member..... *January 20th, 19..*

Date ceased to be a Member.....

SHARES ACCOUNT

| SHARES ACQUIRED. | | | | | | SHARES TRANSFERRED. | | | | | | BALANCE. | | | |
|------------------|-----|----------------|----------------------|--------|-----------------|---------------------|-----|----------------|----------------------|-----|-----------------|----------------|-----------------|------|----|
| Date. | Fo. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | Date. | Fo. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | No. of Shares. | Amount Paid up. | | |
| | | | From. | To. | | | | | From. | To. | | | £ | s. | d. |
| 19.. | | | | | £ | s. | d. | | | | | | £ | s. | d. |
| Jan. 20 | | 500 | 18,500 | 18,999 | 500 | - | - | | | | | | 500 | 250 | - |
| Mar. 6 | | 500 | 1 | 500 | | | | | | | | | 500 | 500 | - |
| | | | | | | | | | | | | | 1000 | 1000 | - |
| | | | | | | | | | | | | | | | |
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EXERCISE XV (A)—No. 2.

A LIM

REGISTER OF MEMBERS AND

Name.....*Smith, John*..... Occupation.....*Cork Merchant*.....
 Address.....*440 Austin Friars, E.C.*.....

Dr.

CASH ACCOUNT

Cr.

| Date. | Particulars. | Fo. | Amount Called up per Share. | Total Amount Called up. | Date. | Particulars. | Fo. | Total Amount Paid up. |
|-----------------|-----------------------------------|-----|--------------------------------------|----------------------------------|-----------------|--------------|--------------------|-----------------------------|
| 19.. Jan. 12 | To Application and Allotment . | | £ s. d. 5 - | £ s. d. 37 10 - | 19.. Jan. 12 | By Cash . . | £ s. d. 18 15 - | |
| | | | | 37 10 - | " 12 | " Cash . . | 18 15 - | |
| | | | | | | | 37 10 - | |
| Mar. 10 | To First Call . | | 5 - | £37 10 - | Mar. 15 | By Cash . . | £37 10 - | |

Name.....*Brown, William*..... Occupation.....*Hatter*.....
 Address.....*486 Bond Street, W.*.....

EXERCISE XV (A)—No. 3.

An example of an Annual Return is on page 584 of *Advanced Accounts*. See, also
 be submitted with the Annual Return.

EXERCISE XV (A)—No. 4.

THE X Y Z MANU

APPLICATION AND

| No. of Application. | NAME. | ADDRESS. | Occupation. | No. of Shares Applied for. | Amount Paid on Applicat'n. |
|------------------------|----------------------|-------------------------------|-------------------|-------------------------------------|----------------------------------|
| 1 | Roberts, Arthur . | 10 Finsbury Street, Burnton | Wool Merchant | 4,000 | £ 1,000 - - |
| 2 | Richards, Henry P. . | The Grange, Lynford, Hants | Gentleman | 3,000 | 750 - - |
| 3 | Norton, Lucas . | 114 Princes Street, Sheffield | Iron Manufacturer | 5,000 | 1,250 - - |
| 4 | Allerton, Ellen . | Park Grove, Finchley . | Spinster | 200 | 50 - - |
| 5 | Princeton, Norman . | 120 Lombard Street, E.C. . | Stockbroker | 5,000 | 1,250 - - |
| 6 | Lloyd, George L. . | 178 High Road, Nottingham | Lace Manufacturer | 500 | 125 - - |
| | | | | 17,700 | £4,425 - - |

ITED CO.

SHARE LEDGER (SHARES)

Date entered as a Member..... *January 12th, 19..*

Date ceased to be a Member..... ..

SHARES ACCOUNT

| SHARES ACQUIRED. | | | | | SHARES TRANSFERRED. | | | | | BALANCE. | | | | |
|------------------|-----|----------------|----------------------|-----|---------------------|--------------|-----|----------------|----------------------|----------|-----------------|----------------|-----------------|----|
| Date. | Fo. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | Date. | Fo. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | No. of Shares. | Amount Paid up. | |
| | | | From. | To. | | | | | From. | To. | | | £ | s. |
| 19.. Jan. 12 | | 150 | 1 | 150 | £ | s. | d. | | | | £ | s. | d. | |
| | | | | | | | | | | | | 150 | £ | s. |
| | | | | | | | | | | | | 150 | 37 | 10 |
| | | | | | | 19.. April 3 | | 100 | 1 | 100 | 50 | — | — | — |
| | | | | | | | | | | | | 50 | 25 | — |

Date entered as a Member..... *April 3rd, 19..*

Date ceased to be a Member..... ..

| | | | | | | | | | | | | | | |
|--------------|--|-----|---|-----|----|----|----|--|--|--|--|-----|----|----|
| 19.. April 3 | | 100 | 1 | 100 | £ | s. | d. | | | | | 100 | £ | s. |
| | | | | | 50 | — | — | | | | | | 50 | — |

the form of Balance Sheet on page 588 of *Advanced Accounts*, which form would

FACTURING CO., LTD.

ALLOTMENTS BOOK (SHARES)

| No. of Shares Allotted. | Distinctive Numbers. | | S.L. Fo. | Amount Due on Application and Allotment. | | Balance Due on Allotment. | | Cash Paid on Allotment. | | Cash Returned. | | No. of Share Certificate. | Remarks. |
|-------------------------|----------------------|--------|----------|--|----|---------------------------|----|-------------------------|----|----------------|----|---------------------------|----------|
| | From. | To. | | £ | s. | £ | s. | £ | s. | £ | s. | | |
| 3,000 | | 3,000 | | 1,875 | — | 875 | — | 875 | — | | | | |
| 2,000 | 3,001 | 5,000 | | 1,250 | — | 500 | — | 500 | — | | | | |
| 4,000 | 5,001 | 9,000 | | 2,500 | — | 1,250 | — | 1,250 | — | | | | |
| Nil | | | | | | | | | | 50 | — | | |
| 4,000 | 9,001 | 13,000 | | 2,500 | — | 1,250 | — | 1,250 | — | | | | |
| 500 | 13,001 | 13,500 | | 312 | 10 | 87 | 10 | 87 | 10 | | | | |
| 13,500 | | | | £8,437 | 10 | — | — | £3,962 | 10 | — | — | | |

Letter of
Regret No. 1

EXERCISE XV (A)—No. 6.

THE PNEUMATIC
REGISTER OF TRANS

| No. of Transfer. | Date Transfer Registered. | TRANSFEROR'S. | | | | S.L. Fo. | NAME. |
|------------------|---------------------------|---------------|------------------|-----------------------------------|-------------|----------|------------------|
| | | S.L. Fo. | NAME. | ADDRESS. | Occupation. | | |
| 1 | 19.. July 1 | 2 | King, Thos. . | 14 The Lanes, Farnham . | Surveyor | 1 | Essley, Robert . |
| 2 | Oct. 12 | 1 | Essley, Robert . | 115 Walkley Road, Thorn- heath | Merchant | 3 | Tinton, John . |
| 3 | Dec. 2 | 1 | Essley, Robert . | 115 Walkley Road, Thorn- heath | Do. | 4 | Brown, Philip . |

EXERCISE XV (A)—No. 7.

CALL BOOK
First Call of 5s. per share made

| S.L. Fo. | NAME. | ADDRESS. | No. of Shares Held. | Amount Due. | | |
|----------|-------------------|--------------------------------------|---------------------|-------------|-------|-----|
| | Lake, R. T. | 16 Bradford Road, Leeds . . . | 2,000 | £ 500 | s. d. | — — |
| | Brown, A. F. | 19 Rufus Street, Bradford . . . | 1 | | 5 | — |
| | Cassell, F. . | 176 Park Road, Finsbury, N.W. . | 1 | | 5 | — |
| | Neller, T. O. | 127 Brownley Road, Hampstead . | 1 | | 5 | — |
| | Locksley, N. P. | 125 Coldthorpe Avenue, Brixton, S.W. | 1 | | 5 | — |
| | Chalmers, E. | 17 Buller Street, Nottingham . . | 1 | | 5 | — |
| | Bullen, F. T. | 12 Luke Street, Bexley . . . | 2,495 | 623 | 15 | — |
| | Silverlock, J. P. | Clere Park, Winthorpe . . . | 5,500 | 1,375 | — | — |
| | | | 10,000 | £2,500 | — | — |

TYRE CO., LTD.

FERS (ORDINARY SHARES)

| TRANSFEREE'S. | | SHARES TRANSFERRED. | | | | No. of New Certificates. | Remarks. |
|-----------------------------------|-------------|---------------------|-------------------------|-----------------------|--------------------------------|-----------------------------|----------|
| ADDRESS. | Occupation. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | | |
| | | | From. | To. | | | |
| 115 Walkley Road, Thorn- heath | Merchant | 100 | 401 | 500 | £ 62 10 - | 101 | |
| 115 Lime Street, Halifax | Do. | 80 | 801 | 880 | 60 - - | 102 | |
| 9 Lupus Street, Benfield | Engineer | { 100 80 340 | { 401 721 881 | { 500 800 1,220 | { 100 - - 80 - - 340 - - | 103 | |

(ORDINARY SHARES)

May 5th and payable by May 20th

| Amount Paid. | | | ARREARS. | | | Calls Paid in Advance. | | | Remarks. |
|-----------------|------|------|----------|-------|-----------|------------------------------|------|-----|----------------|
| | | | Amount. | Days. | Interest. | | | | |
| £ 300 | s. - | d. - | £ 200 | - | - | 31 | £ 17 | - | Paid June 20th |
| | 5 | - | | | | | | | |
| | 5 | - | | | | | | | |
| | 5 | - | | | | | | | |
| | 5 | - | | | | | | | |
| 323 | 15 | - | 300 | - | - | 31 | 1 | 5 6 | Paid June 20th |
| 1,375 | - | - | | | | | | | |
| £2,000 | - | - | £500 | - | - | | £2 | 2 6 | |

EXERCISE XV (A)—No. 8.

DEBENTURE APPLICATION

| No. of Application. | Date of Application. | NAME. | ADDRESS. | Occupation. | No. of Debts. Applied for. | Amount Paid on Application. | | |
|---------------------|----------------------|-----------------|---------------------------------|-------------|----------------------------|-----------------------------|--------|----|
| 1 | 19.. Mar. 2 | Adams, R. E. | 61 Carnaby Street, Birmingham | Baker | 30 | £ | s. | d. |
| 2 | " 3 | Brady, A. | 17 Seaford Road, Liverpool | Surveyor | 10 | 1,200 | - | - |
| 3 | " 4 | Cooper, W. S. | 21 Regent Street, Leeds | Butcher | 6 | 400 | - | - |
| 4 | " 4 | Dawson, C. T. | 44 Windsor Road, Manchester | Architect | 10 | 240 | - | - |
| 5 | " 5 | Ellis, H. | 21 Crofton Street, Warwick | Solicitor | 6 | 400 | - | - |
| 6 | " 5 | Forster, P. O. | 12 Penton Road, Nottingham | Artist | 6 | 240 | - | - |
| 7 | " 6 | Goodwin, E. | 75 Percy Street, Reading | Journalist | 10 | 400 | - | - |
| 8 | " 7 | Howard, C. E. | 25 Burnaby Gardens, Winchester | Spinster | 25 | 1,000 | - | - |
| 9 | " 7 | Irving, W. | 112 Brockley Road, Southampton | Engineer | 10 | 400 | - | - |
| 10 | " 8 | Jeffries, T. D. | 29 Granville Street, London, W. | Merchant | 5 | 200 | - | - |
| 11 | " 8 | Lockwood, M. | 108 Westbourne Grove, Windsor | Barrister | 5 | 200 | - | - |
| 12 | " 8 | Taylor, L. F. | 76 Stewart Road, London, W. | Gentleman | 20 | 800 | - | - |
| | | | | | | 143 | £5,720 | - |

DEBENTURE HOL

| Date. | Receipts. | Fo. | Amount. | | | Date. | Payments. | Fo. | Amount. | | |
|-------------|---------------------|-----|---------|----|----|--------------|-------------------------------|-----|---------|----|----|
| 19.. Mar. 2 | To Application A/c— | | £ | s. | d. | 19.. Mar. 10 | By Application A/c— | | £ | s. | d. |
| " 2 | Adams, R. E. | | 1,200 | - | - | " 10 | Cooper, W. S. | | 240 | - | - |
| " 3 | Brady, A. | | 400 | - | - | " 10 | Jeffries, T. D. | | 200 | - | - |
| " 4 | Cooper, W. S. | | 240 | - | - | " 10 | Transfer to General Cash Book | | 5,280 | - | - |
| " 4 | Dawson, C. T. | | 400 | - | - | | | | | | |
| " 5 | Ellis, H. | | 240 | - | - | | | | | | |
| " 5 | Forster, P. O. | | 240 | - | - | | | | | | |
| " 6 | Goodwin, E. | | 400 | - | - | | | | | | |
| " 7 | Howard, C. E. | | 1,000 | - | - | | | | | | |
| " 7 | Irving, W. | | 400 | - | - | | | | | | |
| " 8 | Jeffries, T. D. | | 200 | - | - | | | | | | |
| " 8 | Lockwood, M. | | 200 | - | - | | | | | | |
| " 8 | Taylor, L. F. | | 800 | - | - | | | | | | |
| | | | £5,720 | - | - | | | | £5,720 | - | - |

EXERCISE XV (A)—No. 9.

REGISTER OF TRANS

| No. of Transfer. | Date Transferred. | TRANSFEROR'S | | | | | |
|------------------|-------------------|--------------|---------------|-------------------------------|-------------|----------|--------------------|
| | | Deb. Fo. | NAME. | ADDRESS. | Occupation. | Deb. Fo. | NAME. |
| 101 | 19.. May 15 | | Adams, R. E. | 61 Carnaby Street, Birmingham | Baker | | Dawson, C. T. |
| 102 | June 10 | | Howard, C. E. | 25 Burnaby Gdns., Winchester | Spinster | | Ellis, H. |
| 103 | " 15 | | Taylor, L. F. | 76 Stewart Road, London, W. | Gentleman | | Forster, P. O. |
| 104 | " 25 | | Howard, C. E. | 25 Burnaby Gdns., Winchester | Spinster | | Ellis, H. |
| 105 | July 9 | | Adams, R. E. | 61 Carnaby St., Birmingham | Baker | | Burnaby, James |
| 106 | Aug. 22 | | Taylor, L. F. | 76 Stewart Road, London, W. | Gentleman | | Armstrong, Rupert. |

AND ALLOTMENTS BOOK

| No. of Debs. Allotted | Distinctive Numbers. | | Fo. | Amount Due on Application and Allotment. | | | Balance Due on Allotment. | | | Cash Paid on Allotment. | | | Cash Returned. | | | Remarks. |
|-----------------------------|-------------------------|-----|-----|--|----|----|---------------------------------|----|----|-------------------------------|----|----|-------------------|----|----|------------------------|
| | From | To | | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | |
| 20 | 1 | 20 | | £ | | | £ | | | £ | | | £ | | | Letter of Regret No. 5 |
| 10 | 21 | 30 | | 2,000 | — | — | 800 | — | — | 800 | — | — | | | | |
| nil | | | | 1,000 | — | — | 600 | — | — | 600 | — | — | 240 | — | — | |
| 5 | 31 | 35 | | 500 | — | — | 100 | — | — | 100 | — | — | | | | |
| 5 | 36 | 40 | | 500 | — | — | 260 | — | — | 260 | — | — | | | | |
| 5 | 41 | 45 | | 500 | — | — | 260 | — | — | 260 | — | — | | | | Letter of Regret No. 6 |
| 10 | 46 | 55 | | 1,000 | — | — | 600 | — | — | 600 | — | — | | | | |
| 20 | 56 | 75 | | 2,000 | — | — | 1,000 | — | — | 1,000 | — | — | | | | |
| 5 | 76 | 80 | | 500 | — | — | 100 | — | — | 100 | — | — | | | | |
| nil | | | | | | | | | | | | | 200 | — | — | |
| 5 | 81 | 85 | | 500 | — | — | 300 | — | — | 300 | — | — | | | | |
| 15 | 86 | 100 | | 1,500 | — | — | 700 | — | — | 700 | — | — | | | | |
| 100 | | | | £10,000 | — | — | £4,720 | — | — | £4,720 | — | — | £440 | — | — | |

DERS' CASH BOOK

| Date. | | Receipts. | Fo. | Amount. | | | Date. | Payments. | Fo. | Amount. | | |
|---------|--|-------------------|-----|---------|----|----|---------|---------------------|-----|---------|----|----|
| 19.. | | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Mar. 10 | | To Allotment A/c— | | | | | Mar. 20 | By Transfer to Gen- | | 4,720 | — | — |
| to | | Brady, A. . . | | 600 | — | — | | eral Cash Book | | | | |
| Mar. 20 | | Adams, R. E. . | | 800 | — | — | | | | | | |
| | | Dawson, C. T. . | | 600 | — | — | | | | | | |
| | | Ellis, H. . . | | 260 | — | — | | | | | | |
| | | Forster, P. O. . | | 260 | — | — | | | | | | |
| | | Goodwin, E. . | | 100 | — | — | | | | | | |
| | | Howard, C. E. . | | 1,000 | — | — | | | | | | |
| | | Irving, W. . . | | 100 | — | — | | | | | | |
| | | Lockwood, M. . | | 300 | — | — | | | | | | |
| | | Taylor, L. F. . | | 700 | — | — | | | | | | |
| | | | | £4,720 | — | — | | | | £4,720 | — | — |

FERS (DEBENTURES)

| TRANSFEREE'S | | DEBENTURES TRANSFERRED. | | | | | Remarks. |
|-------------------------------|-------------|-------------------------|-------------------------|-----|--------------------|------|----------|
| ADDRESS. | Occupation. | No. of Debs. | Distinctive Numbers. | | Amount Paid up. | | |
| | | | From. | To. | | | |
| 14 Windsor Road, Manchester . | Architect | 5 | 1 | 5 | £ 500 | s. — | d. — |
| 21 Crofton Street, Warwick . | Solicitor | 5 | 56 | 60 | 500 | — | — |
| 12 Penton Road, Nottingham . | Artist | 5 | 86 | 90 | 500 | — | — |
| 21 Crofton Road, Warwick . | Solicitor | 5 | 61 | 65 | 500 | — | — |
| 112 Leman St., Northampton . | Merchant | 5 | 6 | 10 | 500 | — | — |
| 95 Bromley Road, Newcastle . | Engineer | 5 | 91 | 95 | 500 | — | — |

EXERCISE XV (A)—No. 10.

| TRADING ACCOUNT | | | | | | | | | | Cr. | |
|-----------------|--------------------------|--|--|--|----------|----|----|--------------------------|--|----------|-------|
| Dr. | | | | | 19.. | | | | | | |
| | | | | | £ | s. | d. | | | £ | s. d. |
| 19.. | To Stock, 1st Jan., 19.. | | | | 5,500 | — | — | By Sales— | | | |
| | " Purchases | | | | 9,800 | — | — | A. | | 4,000 | — |
| | " Bal., Gross Profit c/d | | | | 3,400 | — | — | B. | | 3,600 | — |
| | | | | | | | | C. | | 3,800 | — |
| | | | | | | | | D. | | 2,000 | — |
| | | | | | | | | | | 13,400 | — |
| | | | | | £ 18,700 | — | — | " Stock, 31st Dec., 19.. | | 5,300 | — |
| | | | | | | | | | | £ 18,700 | — |

| PROFIT AND LOSS ACCOUNT | | | | | | | | | | Cr. | |
|-------------------------|--|--|--|--|---------|------|-----------|--------------------------------------|--|-----------|-----------|
| Dr. | | | | | 19.. | | | | | | |
| | | | | | £ | s. | d. | | | £ | s. d. |
| 19.. | To Rent and Rates | | | | 150 | — | — | By Trading (Gross Profits of Depts.) | | | |
| | " Wages | | | | 218 | — | — | | | 1,014 | 18 6 |
| | " Printing | | | | | 115 | — | | | £ 507 | 9 3 |
| | " Stationery, Advertising, and Postage | | | | | 180 | — | | | £ 964 | 3 7 |
| | To Net Profit | | | | 77 | 4 | 69 6 3 | | | | |
| | | | | | 569 | 18 2 | 540 2 5 | | | | |
| | | | | | £ 1,014 | 18 6 | £ 913 8 8 | | | £ 507 9 3 | £ 3,400 — |

EXERCISE XV (A)—No. 11.

My friend, on my advice, would invest his £1,000 in 6 per cent Cumulative Preference Shares, for the following reasons—

(a) Cumulative Preference Shares have a prior claim for a dividend on profits.

(b) Arrears on dividends must (if profits warrant it) be paid.

(c) Such shares often carry a claim upon ASSETS (after other creditors have been met) before other classes of shareholders are considered.

EXERCISE XV (A)—No. 12.

A's BOOKS

| Dr. | | GOODS ACCOUNT | | | | Cr. | |
|-----|--|---------------|--|--------|--------------|-----|-------|
| | | | | 19.. | By B | £ | s. d. |
| | | | | Jan. 2 | | 600 | — — |

| Dr. | | B's ACCOUNT | | | | Cr. | |
|--------|--------------------|-------------|-------|--------|---------------------|--------|-------|
| 19.. | To Goods | £ | s. d. | 19.. | By Bills Receivable | £ | s. d. |
| Jan. 2 | „ Bank | 600 | — — | Feb. 2 | (4 mos.) | 600 | — — |
| May 28 | „ Interest | 600 | — — | May 28 | „ Bank | 200 | — — |
| June 2 | | 5 | — — | June 2 | „ Bills Receivable | 405 | — — |
| | | | | | (3 mos.) | | |
| | | £1,205 | — — | | | £1,205 | — — |

| Dr. | | BILLS RECEIVABLE | | | | Cr. | |
|--------|--------------|------------------|-------|--------|-----------------|-----|-------|
| 19.. | To B | £ | s. d. | 19.. | By Bank | £ | s. d. |
| Feb. 2 | „ B | 600 | — — | Mar. 5 | | 600 | — — |
| June 2 | | 405 | — — | | | | |

| Dr. | | BANK ACCOUNT | | | | Cr. | |
|--------|---------------------|--------------|-------|--------|------------------|-----|-------|
| 19.. | To Bills Receivable | £ | s. d. | 19.. | By Bank Discount | £ | s. d. |
| Mar. 5 | „ B | 600 | — — | Mar. 5 | | 9 | — — |
| May 28 | | 200 | — — | May 28 | „ B | 600 | — — |

| Dr. | | BANKER'S DISCOUNT ACCOUNT | | | | Cr. | |
|--------|---------------------|---------------------------|-------|--|--|-----|--|
| 19.. | To Sundries | £ | s. d. | | | | |
| Mar. 5 | | 9 | — — | | | | |

EXERCISE XV (A)—No. 12 (*contd.*).

| Dr. | INTEREST ACCOUNT | | | | | Cr. | | |
|-----|------------------|--|--|----------------|--------------|-----|------|------|
| | | | | 19.. June 2 | By B | £ 5 | s. - | d. - |

EXERCISE XV (A)—No. 13.

| Dr. | ORDINARY BUSINESS ACCOUNT | | | | | Cr. | | |
|------|---------------------------|---------------|------|------|------|--------------------------|---------------|------|
| 19.. | To G, 40% of £2,000 . . | £ 800 | s. - | d. - | 19.. | By Profit and Loss A/c . | £ 2,000 | s. - |
| | " H, 30% of £2,000 . . | 600 | - | - | | | | - |
| | " J, 30% of £2,000 . . | 600 | - | - | | | | - |
| | | <u>£2,000</u> | - | - | | | <u>£2,000</u> | - |

| Dr. | VENTURE No. 1 | | | | | Cr. | | |
|------|-------------------------------------|---------------|-------|------|------|--------------------------|---------------|-------|
| 19.. | To G, $\frac{2}{3}$ of £800 | £ 342 | s. 17 | d. 2 | 19.. | By Profit and Loss A/c : | £ | s. d. |
| | " J, $\frac{1}{3}$ of £800 | 257 | 2 | 10 | | Net Profit | 1,000 | - - |
| | " H, 40% of £1,000 . . | 400 | - | - | | | | - |
| | | <u>£1,000</u> | - | - | | | <u>£1,000</u> | - |

| Dr. | VENTURE No. 2 | | | | | Cr. | | |
|------|--------------------------|-------------|-------|------|------------------------------------|-------------|------|------|
| 19.. | To Profit and Loss A/c : | £ | s. d. | 19.. | By H, 45% of £500 . . | £ 225 | s. - | d. - |
| | " Net Loss | 500 | - - | | " G, $\frac{2}{3}$ of £275 | 157 | 2 | 10 |
| | | | | | " J, $\frac{1}{3}$ of £275 | 117 | 17 | 2 |
| | | <u>£500</u> | - - | | | <u>£500</u> | - - | - |

| Dr. | G's CAPITAL ACCOUNT | | | | | Cr. | | |
|------|--------------------------|---------------|------|-------|------|-------------------------|---------------|------|
| 19.. | To Venture No. 2 | £ 157 | s. 2 | d. 10 | 19.. | By Ordinary Bus. A/c . | £ 800 | s. - |
| | " Balance c/d | 985 | 14 | 4 | | " Venture No. 1 | 342 | 17 |
| | | <u>£1,142</u> | 17 | 2 | | | <u>£1,142</u> | 17 |

EXERCISE XV (A)—No. 13 (contd.).

| Dr. | | H's CAPITAL ACCOUNT | | | | Cr. | | | |
|------|--------------------|---------------------|----|----|------|----------------------|----------|----|----|
| 19.. | To Venture No. 2 . | £ 225 | s. | d. | 19.. | By Ordinary Bus. A/c | £ 600 | s. | d. |
| | „ Balance c/d . | 775 | — | — | | „ Venture No. 1 . | 400 | — | — |
| | | £1,000 | — | — | | | £1,000 | — | — |

| Dr. | | J's CAPITAL ACCOUNT | | | | | Cr. | | |
|------|------------------------|---------------------|----------|-----------|------|----------------------------|-------------|----------|-----------|
| 19.. | To Venture No. 2 . . . | £ | s. | d. | 19.. | By Ordinary Bus. A/c . . . | £ | s. | d. |
| | „ Balance c/d . . . | 117 | 17 | 2 | | „ Venture No. 1 . . . | 600 | — | — |
| | | 739 | 5 | 8 | | | 257 | 2 | 10 |
| | | <u>£857</u> | <u>2</u> | <u>10</u> | | | <u>£857</u> | <u>2</u> | <u>10</u> |

EXERCISE XV (A)—No. 14.

GENERAL LEDGER

| Dr. | | SALES LEDGER ADJUSTMENT ACCOUNT | | | | | | Cr. | |
|---------|---------------------|---------------------------------|----|----|---------|------------------|----------|-----|----|
| | | £ | s. | d. | | | £ | s. | d. |
| 1932 | To Balance | 20,196 | 2 | 5 | 1932 | By Cash | 90,987 | 19 | 4 |
| April 1 | } To Credit Sales | 132,823 | — | 11 | April 1 | Discount | 2,080 | 10 | 9 |
| 1932 to | | | | | to 1933 | Bills Receivable | 22,800 | — | — |
| April 1 | | | | | Mar. 31 | Returns Inward | 4,875 | 16 | 6 |
| 1933 | „ Interest charged | 71 | 5 | — | „ | Bad Debts | 2,209 | 13 | 2 |
| Mar. 31 | To Bills Receivable | 150 | — | — | „ | Sundry Creditors | 78 | 8 | 11 |
| „ | (dishonoured) | | | | „ | Balance c/d | 30,305 | 17 | 8 |
| „ | „ Petty Cash | 47 | 8 | 6 | | | | | |
| „ | „ Balance c/d | 50 | 9 | 6 | | | | | |
| | | £153,338 | 6 | 4 | | | £153,338 | 6 | 4 |
| 1933 | To Balance b/d | £30,305 | 17 | 8 | 1933 | By Balance b/d | 50 | 9 | 6 |
| April 1 | | | | | April 1 | | | | |

| Dr. | | BOUGHT LEDGER ADJUSTMENT ACCOUNT | | | | | | Cr. | | | |
|---------|---|----------------------------------|----------|----|---------|------------------|-----|-------------------|---------|----|---|
| | | £ | s. | d. | 1932 | | | £ | s. | d. | |
| 1932 | } | To Cash . . . | 71,556 | 17 | 10 | April 1 | } | By Balance . . . | 12,375 | 18 | 6 |
| April 1 | | „ Discount . . . | 1,226 | 1 | 3 | 1932 | | | | | |
| to 1933 | | „ Petty Cash . . . | 39 | 6 | 7 | April 1 | | | | | |
| Mar. 31 | | „ Returns Outwards . . . | 5,203 | 12 | 7 | to 1933 | | „ Purchases . . . | 101,150 | 7 | 9 |
| „ „ | | „ Bills Payable . . . | 23,850 | — | — | Mar. 31 | | | | | |
| „ „ | | „ Sundry Debtors . . . | 78 | 8 | 11 | | | | | | |
| „ „ | | „ Balance c/d . . . | 11,571 | 19 | 1 | | | | | | |
| | | | £113,526 | 6 | 3 | | | £113,526 | 6 | 3 | |
| | | | | | 1933 | | | | | | |
| | | | | | April 1 | By Balance . . . | b/d | 11,571 | 19 | 1 | |

EXERCISE XV (A)—No. 15.

See Section 24 of Partnership Act set out on pages 377 and 378 of *Advanced Accounts*.

In applying the above to the case under review, the £3,000 must first be reduced by 5 per cent of £2,000 (for 6 months), being Interest due to A's Loan. The remaining profit must then be divided equally between A and B, i.e. A and B will each receive £1,475.

The agreement between A and B that B should be paid a salary of £500 would mean that the salary would be a further reduction of Net profit by that amount; hence A and B in the new circumstances would each receive £1,225.

EXERCISE XV (A)—No. 16.

JOURNAL OF A, B AND C

| 1936 | | £ | s. | d. | £ | s. | d. |
|--------|---|---------|----|----|---------|----|----|
| Jan. 1 | Land and Buildings <i>Dr.</i> | 1,200 | — | — | | | |
| | Capital Accounts— | | | | | | |
| | A ($\frac{3}{5}$ of £590) | 354 | — | — | | | |
| | B ($\frac{2}{5}$ of £590) | 236 | — | — | | | |
| | To Bad Debts Reserve | | | | 390 | — | — |
| | (5 per cent of £7,800) | | | | | | |
| | „ Plant and Machinery | | | | 320 | — | — |
| | „ Stock | | | | 780 | — | — |
| | „ Patents | | | | 300 | — | — |
| | | £1,790 | — | — | £1,790 | — | — |
| Jan. 1 | Goodwill Account <i>Dr.</i> | 8,000 | — | — | | | |
| | To A's Capital $\frac{5}{12}$ of £8,000 | | | | 2,880 | — | — |
| | „ B's „ $\frac{4}{12}$ of £8,000 | | | | 1,920 | — | — |
| | „ C's „ $\frac{3}{12}$ of £8,000 | | | | 3,200 | — | — |
| | | £9,790 | — | — | £9,790 | — | — |
| Jan. 1 | Bank Account <i>Dr.</i> | 8,200 | — | — | | | |
| | To C's Capital | | | | 5,000 | — | — |
| | „ A's „ ($\frac{3}{4}$ of £3,200) | | | | 2,400 | — | — |
| | „ B's „ ($\frac{1}{4}$ of £3,200) | | | | 800 | — | — |
| Jan. 1 | A's Capital ($\frac{3}{4}$ of £3,200) | 2,400 | — | — | | | |
| | B's „ ($\frac{1}{4}$ of £3,200) | 800 | — | — | | | |
| | To Bank | | | | 3,200 | — | — |
| | | £21,190 | — | — | £21,190 | — | — |

EXERCISE XV (A)—No. 16 (contd.).

(Alternative Solution)

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|--------|---|---------|----|----|---------|----|----|
| Jan. 1 | Land and Buildings | 1,200 | — | — | | | |
| | To Re-valuation Account | | | | 1,200 | — | — |
| | Agreed increase in book value of land and buildings. | | | | | | |
| | Re-valuation Account | 1,790 | — | — | | | |
| | To Plant and Machinery | | | | 320 | — | — |
| | Stock | | | | 780 | — | — |
| | Patents | | | | 300 | — | — |
| | Reserve for Bad Debts | | | | 390 | — | — |
| | Agreed reduction in book values of assets and reserve for bad debts. | | | | | | |
| | A. Capital Account | 354 | — | — | | | |
| | B. Capital Account | 236 | — | — | | | |
| | To Re-valuation Account | | | | 590 | — | — |
| | Division of loss on re-valuation. | | | | | | |
| | Goodwill | 8,000 | — | — | | | |
| | To A. Capital Account | | | | 2,880 | — | — |
| | B. Capital Account | | | | 1,920 | — | — |
| | C. Capital Account | | | | 3,200 | — | — |
| | Introduction into books of value of Goodwill divided in ratio to division of profits as agreed. | | | | | | |
| | Bank | 8,200 | — | — | | | |
| | To C. Capital Account | | | | 5,000 | — | — |
| | A. Capital Account | | | | 2,400 | — | — |
| | B. Capital Account | | | | 800 | — | — |
| | Cash brought in credited to respective partners as agreed, i.e. £5000 to C and remainder to A and B in ratios of 3 : 1. | | | | | | |
| | | £19,780 | — | — | £19,780 | — | — |

EXERCISE XV (A)—No. 17.

The differences between a Receipts and Payments Account and an Income and Expenditure Account are set out on page 327 of the text book.

THE SOCIETY FOR THE ENCOURAGEMENT OF GOOD BOOK-KEEPING
INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 30TH APRIL, 1938

| <i>Dr.</i> | | <i>Cr.</i> | |
|--|---------------|------------|--------------|
| EXPENDITURE | | INCOME | |
| | <i>£</i> | <i>£</i> | <i>s. d.</i> |
| To Rent of Office | | 240 | — |
| " Office Salaries | | 650 | — |
| " Office Expenses | | 73 | — |
| Stock of Literature, 1st May, 1937 | | | |
| Add Purchases of Literature | <i>£</i> | | <i>s. d.</i> |
| | 47 | | — |
| | 418 | | — |
| | 465 | | — |
| | 56 | | — |
| Less Stock of Literature, 30th April, 1938 | | 409 | — |
| Lecturers' Fees and Hire of Halls | | 136 | — |
| Depreciation of Office Furniture | | 25 | — |
| Excess of Income over Expenditure for the Year | | 98 | — |
| | <i>£1,631</i> | | |

BALANCE SHEET AS AT 30TH APRIL, 1938

| LIABILITIES | | ASSETS | |
|--|---------------|----------|--------------|
| | <i>£</i> | <i>£</i> | <i>s. d.</i> |
| Subscriptions 1938-39 paid in advance | | | |
| Rent owing | | 350 | — |
| Capital Account, Balance, 1st May, 1937 | 1,183 | 40 | — |
| Add Excess of Income over Expenditure for the year | 98 | 390 | — |
| | | 25 | — |
| | | 636 | — |
| | | 205 | — |
| | | 431 | — |
| | | 365 | — |
| | | 255 | — |
| | | 56 | — |
| | <i>£1,329</i> | | |

EXERCISE XV (B)—No. 1.

JOURNAL

| | £ | s. | d. | £ | s. | d. |
|---------------------------------|-----------------|----------|----------|-----------------|----------|----------|
| Ordinary Shareholders | 200,000 | — | — | | | |
| To Ordinary Share Capital | | | | 200,000 | — | — |
| 200,000 shares of £1 each. | | | | | | |
| Debenture Holders | 80,000 | — | — | | | |
| To Debentures | | | | 80,000 | — | — |
| 800 bonds of £100 each. | | | | | | |
| | <u>£280,000</u> | <u>—</u> | <u>—</u> | <u>£280,000</u> | <u>—</u> | <u>—</u> |

CASH BOOK
(DEBIT SIDE)

| | | Bank. | | |
|------|------------------------------------|-----------------|----------|----------|
| | | £ | s. | d. |
| 19.. | To Ordinary Shareholders | 200,000 | — | — |
| | „ Debenture Holders | 80,000 | — | — |
| | | <u>£280,000</u> | <u>—</u> | <u>—</u> |

TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|----------------------------------|-----------------|----------|----------|-----------------|----------|----------|
| Ordinary Share Capital | | | | 200,000 | — | — |
| Debentures | | | | 80,000 | — | — |
| Cash at Bank | 280,000 | — | — | | | |
| | <u>£280,000</u> | <u>—</u> | <u>—</u> | <u>£280,000</u> | <u>—</u> | <u>—</u> |

EXERCISE XV (B)—No. 1 (*contd.*)

BALANCE SHEET

| CAPITAL AND LIABILITIES. | £ | s. | d. | PROPERTY AND ASSETS. | £ | s. | d. |
|--------------------------------|-----------------|----|----|----------------------|-----------------|----|----|
| <i>Ordinary Share Capital—</i> | | | | Cash at Bank. | 280,000 | — | — |
| 200,000 Shares of £1 each | 200,000 | — | — | | | | |
| <i>Debentures—</i> | | | | | | | |
| 800 Bonds of £100 each | 80,000 | — | — | | | | |
| | <u>£280,000</u> | — | — | | <u>£280,000</u> | — | — |

EXERCISE XV (B)—No. 2.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|------|--------------------------------------|-----------------|----|----|-----------------|----|----|
| 19.. | Preference Shareholders | 225,000 | — | — | | | |
| | To Preference Share Capital | | | | 200,000 | — | — |
| | 200,000 shares of £1 each. | | | | | | |
| | To Premium on Shares Account | | | | 25,000 | — | — |
| | 2s. 6d. per share on 200,000 shares. | | | | | | |
| | Debenture Holders | 84,000 | — | — | | | |
| | To Debentures | | | | 80,000 | — | — |
| | £80,000 issue of debentures. | | | | | | |
| | To Debenture Premium A/c | | | | 4,000 | — | — |
| | 5% of £80,000. | | | | | | |
| | | <u>£309,000</u> | — | — | <u>£309,000</u> | — | — |

CASH BOOK
(DEBIT SIDE)

| | | Bank. | | |
|------|----------------------------|-----------------|------|------|
| 19.. | To Preference Shareholders | £ 225,000 | s. — | d. — |
| | „ Debenture Holders | 84,000 | — | — |
| | | <u>£309,000</u> | — | — |

EXERCISE XV (B)—No. 2 (*contd.*).

TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|------------------------------------|----------|----|----|----------|----|----|
| Preference Share Capital | | | | 200,000 | — | — |
| Premium on Shares | | | | 25,000 | — | — |
| Debentures | | | | 80,000 | — | — |
| Debenture Premium | | | | 4,000 | — | — |
| Cash at Bank | 309,000 | — | — | | | |
| | £309,000 | — | — | £309,000 | — | — |

BALANCE SHEET

| CAPITAL AND LIABILITIES. | | | PROPERTY AND ASSETS. | | |
|-------------------------------------|----------|-------|-----------------------|----------|-------|
| | £ | s. d. | | £ | s. d. |
| <i>Preference Share Capital—</i> | | | Cash at Bank. | 309,000 | — — |
| 200,000 Shares of £1 each | 200,000 | — — | | | |
| Share Premium Account. | 25,000 | — — | | | |
| Debentures | 80,000 | — — | | | |
| Premium on Debentures A/c | 4,000 | — — | | | |
| | £309,000 | — — | | £309,000 | — — |

EXERCISE XV (B)—No. 3.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|---|---------|----|----|---------|----|----|
| | Debenture Holders | 76,000 | — | — | | | |
| | Debenture Discount | 4,000 | — | — | | | |
| | To Debentures | | | | 80,000 | — | — |
| | For issue of £80,000 debentures in bonds of £100 each @ £95 per bond. | | | | | | |
| | | £80,000 | — | — | £80,000 | — | — |

EXERCISE XV (B)—No. 3 (*contd.*).

CASH BOOK

(DEBIT SIDE)

| | | £ | s. | d. |
|------|--------------------------------|---------------|----------|----------|
| 19.. | To Debenture Holders | 76,000 | — | — |
| | | <u>76,000</u> | <u>—</u> | <u>—</u> |

TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|------------------------------|----------------|----------|----------|----------------|----------|----------|
| Debentures | | | | 80,000 | — | — |
| Debenture Discount | 4,000 | — | — | | | |
| Cash at Bank | 76,000 | — | — | | | |
| | <u>£80,000</u> | <u>—</u> | <u>—</u> | <u>£80,000</u> | <u>—</u> | <u>—</u> |

BALANCE SHEET

| CAPITAL AND LIABILITIES. | £ | s. | d. | PROPERTY AND ASSETS. | £ | s. | d. |
|----------------------------------|----------------|----------|----------|------------------------------|----------------|----------|----------|
| Debentures— | | | | Cash at Bank. | 76,000 | — | — |
| 800 Bonds of £100 each | 80,000 | — | — | Debenture Discount | 4,000 | — | — |
| | <u>£80,000</u> | <u>—</u> | <u>—</u> | | <u>£80,000</u> | <u>—</u> | <u>—</u> |

EXERCISE XV (B)—No. 4.

JOURNAL

| | £ | s. | d. | £ | s. | d. |
|--|-----------------|----------|----------|-----------------|----------|----------|
| 19.. Application A/c (Ordinary Shares) | 25,000 | — | — | | | |
| To Ordinary Share Capital | | | | 25,000 | — | — |
| 2/6 per share on 200,000 shares. | | | | | | |
| Allotment A/c (Ordinary Shares) | 75,000 | — | — | | | |
| To Ordinary Share Capital | | | | 75,000 | — | — |
| 7/6 per share on 200,000 shares. | | | | | | |
| First Call A/c (Ordinary Shares) | 50,000 | — | — | | | |
| To Ordinary Share Capital | | | | 50,000 | — | — |
| 5/- per share on 200,000 shares. | | | | | | |
| Final Call A/c (Ordinary Shares) | 50,000 | — | — | | | |
| To Ordinary Share Capital | | | | 50,000 | — | — |
| 5/- per share on 200,000 shares. | | | | | | |
| | <u>£200,000</u> | <u>—</u> | <u>—</u> | <u>£200,000</u> | <u>—</u> | <u>—</u> |

CASH BOOK

(DEBIT SIDE)

| 19.. | | £ | s. | d. |
|------|--|-----------------|----|----|
| | To Application Account (Ordinary Shares) . . . | 25,000 | — | — |
| | „ Allotment Account (Ordinary Shares) . . . | 75,000 | — | — |
| | „ First Call Account (Ordinary Shares) . . . | 50,000 | — | — |
| | „ Final Call Account (Ordinary Shares) . . . | 50,000 | — | — |
| | | <u>£200,000</u> | — | — |

TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|----------------------------------|-----------------|----|----|-----------------|----|----|
| Ordinary Share Capital | | | | 200,000 | — | — |
| Cash at Bank | 200,000 | — | — | | | |
| | <u>£200,000</u> | — | — | <u>£200,000</u> | — | — |

BALANCE SHEET

| CAPITAL AND LIABILITIES. | £ | s. | d. | PROPERTY AND ASSETS. | £ | s. | d. |
|--|-----------------|----|----|------------------------|-----------------|----|----|
| Ordinary Share Capital— 200,000 Shares of £1 each . . . | 200,000 | — | — | Cash at Bank | 200,000 | — | — |
| | <u>£200,000</u> | — | — | | <u>£200,000</u> | — | — |

EXERCISE XV (B)—No. 5.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|--|-----------------|----|----|-----------------|----|----|
| | Application A/c (Preference Shares) | 75,000 | — | — | | | |
| | To Preference Share Capital . . . | | | | 50,000 | — | — |
| | 5/- per share on 200,000 shares. . . | | | | | | |
| | To Share Premium A/c . . . | | | | 25,000 | — | — |
| | 2/6 per share on 200,000 shares. . . | | | | | | |
| | Allotment A/c (Preference Shares) . . | 50,000 | — | — | | | |
| | To Preference Share Capital . . . | | | | 50,000 | — | — |
| | 5/- per share on 200,000 shares. . . | | | | | | |
| | First Call A/c (Preference Shares) . . | 50,000 | — | — | | | |
| | To Preference Share Capital . . . | | | | 50,000 | — | — |
| | 5/- per share on 200,000 shares. . . | | | | | | |
| | Final Call A/c (Preference Shares) . . | 50,000 | — | — | | | |
| | To Preference Share Capital . . . | | | | 50,000 | — | — |
| | 5/- per share on 200,000 shares. . . | | | | | | |
| | | <u>£225,000</u> | — | — | <u>£225,000</u> | — | — |

EXERCISE XV (B)—No. 5 (*contd.*).CASH BOOK
(DEBIT SIDE)

| 19.. | | £ | s. | d. |
|------|--|-----------------|----|----|
| | To Application Account (Preference Shareholders) . | 75,000 | — | — |
| | „ Allotment Account (Preference Shareholders) . | 50,000 | — | — |
| | „ First Call Account (Preference Shareholders) . | 50,000 | — | — |
| | „ Final Call Account (Preference Shareholders) . | 50,000 | — | — |
| | | <u>£225,000</u> | — | — |

TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|------------------------------------|-----------------|----|----|-----------------|----|----|
| Preference Share Capital | | | | 200,000 | — | — |
| Share Premium | | | | 25,000 | — | — |
| Cash at Bank | 225,000 | — | — | | | |
| | <u>£225,000</u> | — | — | <u>£225,000</u> | — | — |

BALANCE SHEET

| CAPITAL AND LIABILITIES. | £ | s. | d. | PROPERTY AND ASSETS. | £ | s. | d. |
|--|-----------------|----|----|------------------------|-----------------|----|----|
| Preference Share Capital— 200,000 Shares of £1 each | 200,000 | — | — | Cash at Bank | 225,000 | — | — |
| Share Premium Account | 25,000 | — | — | | | | |
| | <u>£225,000</u> | — | — | | <u>£225,000</u> | — | — |

EXERCISE XV (B)—No. 6.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|-------------------------------------|----------------|----|----|----------------|----|----|
| | Application Account (Debentures) . | 16,000 | — | — | | | |
| | To Debentures | | | | 16,000 | — | — |
| | 20% of £80,000. | | | | | | |
| | Allotment Account (Debentures) . | 24,000 | — | — | | | |
| | To Debentures | | | | 24,000 | — | — |
| | 30% of £80,000. | | | | | | |
| | Call Account (Debentures) | 40,000 | — | — | | | |
| | To Debentures | | | | 40,000 | — | — |
| | 50% of £80,000. | | | | | | |
| | | <u>£80,000</u> | — | — | <u>£80,000</u> | — | — |

EXERCISE XV (B)—No. 6 (*contd.*).CASH BOOK
(DEBIT SIDE)

| | | Bank. | |
|------|---|----------------|-------|
| 19.. | | £ | s. d. |
| | To Application Account (Debentures) | 16,000 | — — |
| | „ Allotment Account (Debentures) | 24,000 | — — |
| | „ Call Account (Debentures) | 40,000 | — — |
| | | <u>£80,000</u> | — — |

TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|------------------------|----------------|----|----|----------------|----|----|
| Debentures | | | | 80,000 | — | — |
| Cash at Bank | 80,000 | — | — | | | |
| | <u>£80,000</u> | — | — | <u>£80,000</u> | — | — |

BALANCE SHEET

| CAPITAL AND LIABILITIES. | £ | s. | d. | PROPERTY AND ASSETS. | £ | s. | d. |
|----------------------------|----------------|----|----|-----------------------|----------------|----|----|
| Debentures— | | | | Cash at Bank. | 80,000 | — | — |
| 800 Bonds of £100 each . . | 80,000 | — | — | | | | |
| | <u>£80,000</u> | — | — | | <u>£80,000</u> | — | — |

EXERCISE XV (B)—No. 7.

JOURNAL

| | | | | | | | |
|------|------------------------------------|----------------|----|----|----------------|----|----|
| 19.. | | £ | s. | d. | £ | s. | d. |
| | Application Account (Debentures) . | 16,000 | — | — | | | |
| | To Debentures | | | | 8,000 | — | — |
| | 10% of £80,000. | | | | | | |
| | To Debenture Premium A/c . | | | | 8,000 | — | — |
| | 10% of £80,000. | | | | | | |
| | Allotment Account (Debentures) . | 72,000 | — | — | | | |
| | To Debentures | | | | 72,000 | — | — |
| | 90% of £80,000. | | | | | | |
| | | <u>£88,000</u> | — | — | <u>£88,000</u> | — | — |

EXERCISE XV (B)—No. 7 (*contd.*).CASH BOOK
(DEBIT SIDE)

| | | Bank. | |
|------|---|----------------|-------|
| | | £ | s. d. |
| 19.. | To Application Account (Debentures) . . . | 16,000 | — — |
| | „ Allotment Account (Debentures) . . . | 72,000 | — — |
| | | <u>£88,000</u> | — — |

TRIAL BALANCE

| | £ | s. d. | £ | s. d. |
|-----------------------------|----------------|-------|----------------|-------|
| Debentures | | | 80,000 | — — |
| Debenture Premium | | | 8,000 | — — |
| Cash at Bank | 88,000 | — — | | |
| | <u>£88,000</u> | — — | <u>£88,000</u> | — — |

BALANCE SHEET

| CAPITAL AND LIABILITIES. | £ | s. d. | PROPERTY AND ASSETS. | £ | s. d. |
|-------------------------------|----------------|-------|-----------------------|----------------|-------|
| <i>Debentures</i> — | | | Cash at Bank. | 88,000 | — — |
| 800 Bonds of £100 each . . . | 80,000 | — — | | | |
| Debenture Premium Account . . | 8,000 | — — | | | |
| | <u>£88,000</u> | — — | | <u>£88,000</u> | — — |

EXERCISE XV (B)—No. 8.

JOURNAL

| | £ | s. d. | £ | s. d. |
|---|----------------|-------|----------------|-------|
| 19.. | | | | |
| Application Account (Debentures). . . | 16,000 | — — | | |
| To Debentures | | | 16,000 | — — |
| £20 per bond on 800 bonds of £100 each. | | | | |
| Debenture Discount Account | 8,000 | — — | | |
| To Debentures | | | 8,000 | — — |
| 10% of £80,000. | | | | |
| Allotment Account (Debentures) . . . | 56,000 | — — | | |
| To Debentures | | | 56,000 | — — |
| Balance of amount due, i.e. £72,000 | | | | |
| — £16,000. | | | | |
| | <u>£80,000</u> | — — | <u>£80,000</u> | — — |

EXERCISE XV (B)—No. 8 (*contd.*).

CASH BOOK

| 19.. | | £ | s. | d. |
|------|---|----------------|----|----|
| | To Application Account (Debentures) . . . | 16,000 | — | — |
| | „ Allotment Account (Debentures) . . . | 56,000 | — | — |
| | | <u>£72,000</u> | — | — |

TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|------------------------------|----------------|----|----|----------------|----|----|
| Debentures | | | | 80,000 | — | — |
| Debenture Discount | 8,000 | — | — | | | |
| Cash at Bank | 72,000 | — | — | | | |
| | <u>£80,000</u> | — | — | <u>£80,000</u> | — | — |

BALANCE SHEET

| CAPITAL AND LIABILITIES. | £ | s. | d. | PROPERTY AND ASSETS. | £ | s. | d. |
|------------------------------|----------------|----|----|------------------------------|----------------|----|----|
| Debentures— | | | | Cash at Bank. | 72,000 | — | — |
| 800 Bonds of £100 each . . . | 80,000 | — | — | Debenture Discount | 8,000 | — | — |
| | <u>£80,000</u> | — | — | | <u>£80,000</u> | — | — |

EXERCISE XV (B)—No. 9.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|---|----------------|----|----|----------------|----|----|
| | Application Account | 25,000 | — | — | 25,000 | — | — |
| | To Share Capital Account | | | | | | |
| | 2/6 per share on 200,000 shares. | | | | | | |
| | Application Account | 1,875 | — | — | 1,875 | — | — |
| | To Allotment Account | | | | | | |
| | Transfer of 2/6 per share on 15,000 oversubscribed on application. | | | | | | |
| | Allotment Account | 50,000 | — | — | 50,000 | — | — |
| | To Share Capital Account | | | | | | |
| | 5/- per share on 200,000 shares. | | | | | | |
| | | <u>£76,875</u> | — | — | <u>£76,875</u> | — | — |

Dr.

CASH BOOK

Cr.

| | £ | s. | d. | | £ | s. | d. |
|----------------------------------|----------------|----|----|---|----------------|----|----|
| To Application Account | 28,750 | — | — | By Application Account | 1,875 | — | — |
| (230,000 2/6's.) | | | | (15,000 2/6's. returned to non-successful appli- cants) | | | |
| „ Allotment Account | 48,125 | — | — | „ Balance c/d | 75,000 | — | — |
| (£50,000 less £1,875) | | | | | <u>£76,875</u> | — | — |
| | <u>£76,875</u> | — | — | | | | |

EXERCISE XV (B)—No. 10.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|--|----------|----|----|----------|----|----|
| | Application Account | 25,000 | — | — | 25,000 | — | — |
| | To Share Capital Account 2/6 per share on 200,000 shares. | | | | | | |
| | Allotment Account | 25,000 | — | — | 25,000 | — | — |
| | To Share Capital Account 2/6 per share on 200,000 shares. | | | | | | |
| | Call Account | 50,000 | — | — | 50,000 | — | — |
| | To Share Capital Account 5/- per share on 200,000 shares. | | | | | | |
| | | £100,000 | — | — | £100,000 | — | — |

CASH BOOK

(DEBIT SIDE)

| 19.. | | £ | s. | d. |
|------|---|----------|----|----|
| | To Application Account | 25,000 | — | — |
| | „ Allotment Account | 25,000 | — | — |
| | „ Call Account | 50,037 | 10 | — |
| | (£50,000 + [£100 paid in advance, less £62/10/- in arrears]) | | | |
| | | £100,037 | 10 | — |

BALANCE SHEET

| CAPITAL AND LIABILITIES. | £ | s. | d. | £ | s. | d. | PROPERTY AND ASSETS. | £ | s. | d. |
|--|---------|----|----|----------|----|----|------------------------|----------|----|----|
| Nominal Capital: 250,000 Shares of £1 each | 250,000 | — | — | | | | Cash at Bank | 100,037 | 10 | — |
| Issued Capital: 200,000 Shares of £1 | 100,000 | — | — | | | | | | | |
| (10/- called) Add Calls in Advance | 100 | — | — | | | | | | | |
| | 100,100 | — | — | | | | | | | |
| Less Calls in Arrears | 62 | 10 | — | | | | | | | |
| | | | | 100,037 | 10 | — | | | | |
| | | | | £100,037 | 10 | — | | £100,037 | 10 | — |

EXERCISE XV (B)—No. 11.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|---------|-------------------------------------|----------|----|----|----------|----|----|
| June 30 | Application A/c (Ordinary Shares) . | 50,000 | — | — | | | |
| | To Ordinary Share Capital . | | | | 25,000 | — | — |
| | 5/- per share on 100,000 shares . | | | | | | |
| | To Premium on Shares A/c . | | | | 25,000 | — | — |
| | 5/- per share on 100,000 shares . | | | | | | |
| July 15 | Allotment A/c (Ordinary Shares) . | 75,000 | — | — | | | |
| | To Ordinary Share Capital . | | | | 75,000 | — | — |
| | 15/- per share on 100,000 shares . | | | | | | |
| | | £125,000 | — | — | £125,000 | — | — |

EXERCISE XV (B)—No. 12.

THE BLARNEYSTONE DIAMOND SYNDICATE, LTD.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|---------------------------------------|---------|----|----|---------|----|----|
| Jan. 2 | Application A/c (Ordinary Shares) . | 5,000 | — | — | | | |
| | To Ordinary Share Capital . | | | | 5,000 | — | — |
| | 5/- per share on 20,000 shares . | | | | | | |
| " 2 | Application A/c (Preference Shares) . | 2,000 | — | — | | | |
| | To Preference Share Capital . | | | | 2,000 | — | — |
| | 5/- per share on 8,000 shares . | | | | | | |
| Feb. 1 | Allotment A/c (Ordinary Shares) . | 10,000 | — | — | | | |
| | To Ordinary Share Capital . | | | | 10,000 | — | — |
| | 10/- per share on 20,000 shares . | | | | | | |
| " 1 | Allotment A/c (Preference Shares) . | 4,000 | — | — | | | |
| | To Preference Share Capital . | | | | 4,000 | — | — |
| | 10/- per share on 8,000 shares . | | | | | | |
| Mar. 1 | First Call A/c (Ordinary Shares) . | 5,000 | — | — | | | |
| | To Ordinary Share Capital . | | | | 5,000 | — | — |
| | 5/- per share on 20,000 shares . | | | | | | |
| " 1 | First Call A/c (Preference Shares) . | 16,000 | — | — | | | |
| | To Preference Share Capital . | | | | 16,000 | — | — |
| | £2 per share on 8,000 shares . | | | | | | |
| | | £42,000 | — | — | £42,000 | — | — |

EXERCISE XV (B)—No. 12 (*contd.*).CASH BOOK
(DEBIT SIDE)

| | | | | Bank. | |
|------|---|---|---|----------------|------------|
| | | | | £ | s. d. |
| Jan. | 2 | To Application Account (Ordinary Shares) | . | 5,000 | — — |
| " | 2 | " Application Account (Preference Shares) | . | 2,000 | — — |
| Feb. | 1 | " Allotment Account (Ordinary Shares) | . | 8,000 | — — |
| " | 1 | " Allotment Account (Preference Shares) | . | 3,500 | — — |
| Mar. | 1 | " First Call Account (Ordinary Shares) | . | 3,200 | — — |
| " | 1 | " First Call Account (Preference Shares) | . | 13,000 | — — |
| | | | | <u>£34,700</u> | <u>— —</u> |

The amounts unpaid were as follows—

Ordinary Shares, £3,800

Preference Shares, £3,500

EXERCISE XV (B)—No. 13.

BALANCE SHEET OF THE BOSCOMBE MANUFACTURING CO., LTD.

| CAPITAL AND LIABILITIES | | £ | £ | PROPERTY AND ASSETS. | | £ | £ |
|-------------------------------|--|----------|----------|------------------------|--|-------|----------|
| Nominal Capital— | | | | Machinery and Plant | | 8,760 | |
| 20,000 5% Preference Shares | | | | Less Depreciation | | 872 | |
| of £1 each | | 20,000 | | | | | 8,188 |
| 20,000 Ordinary Shares of £1 | | | | Stock-in-trade | | | 7,430 |
| each | | 20,000 | | Sundry Debtors | | 6,560 | |
| | | | | Less Bad Debts Reserve | | 500 | |
| | | £ 40,000 | | | | | 6,060 |
| Issued Capital— | | | | Cash at Bank | | | 8,134 |
| 20,000 5% Preference Shares, | | | | Goodwill | | | 12,000 |
| fully called | | 20,000 | | Insurance Unexpired | | | 146 |
| Less Calls in Arrear | | 10 | | | | | |
| 18,000 Ordinary Shares, 15s. | | | 19,990 | | | | |
| called | | 13,500 | | | | | |
| Less Calls in Arrear | | 5 | | | | | |
| | | | 13,495 | | | | |
| General Reserve A/c | | | 3,000 | | | | |
| Sundry Creditors | | | 2,473 | | | | |
| Profit and Loss Appropriation | | | | | | | |
| A/c— | | | | | | | |
| Balance, 1st January | | 209 | | | | | |
| Current Year's Profit | | 2,791 | | | | | |
| | | | 3,000 | | | | |
| | | | £ 41,958 | | | | £ 41,958 |

EXERCISE XV (B)—No. 14.

The student should compare his own effort with the model set of Final Accounts on the following two pages. That is the answer to No. 15, but will serve equally well for the two questions.

EXERCISE XV (B)—No. 15.

W. PEARSON & CO., LTD.

Dr. TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---|---|----|----|----------|----|----|------------------------------|----|----|
| To Stock, 1st Jan. | . | . | . | 8,800 | — | — | By Sales | . | . |
| " Purchases | . | . | . | 41,800 | — | — | " Stock, 31st Dec. | . | . |
| " Carriage and Cartage. | . | . | . | 395 | — | — | | | |
| " Manufacturing Wages | . | . | . | 12,450 | — | — | | | |
| " Balance, Gross Profit c/d | . | . | . | 6,225 | — | — | | | |
| | | | | £ 69,670 | — | — | | | |
| To Salaries | . | . | . | 1,230 | — | — | By Trading Account | . | . |
| " Rates and Taxes | . | . | . | 111 | — | — | " Discount | . | . |
| " Insurance. | . | . | . | 98 | — | — | | | |
| " Trade Expenses | . | . | . | 382 | — | — | | | |
| " Repairs | . | . | . | 174 | — | — | | | |
| " Office Expenses | . | . | . | 124 | — | — | | | |
| " Debenture Interest | . | . | . | 225 | — | — | | | |
| " Bad Debts | . | . | . | 191 | — | — | | | |
| " Bad Debts Res. (5% of £3,640) | . | . | . | 182 | — | — | | | |
| " Depreciation Account— Plant and Machinery (10% of £6,000) | . | . | . | 600 | — | — | | | |
| " Balance, Net Profit c/d | . | . | . | 2,956 | — | — | | | |
| | | | | £ 6,273 | — | — | | | |

APPROPRIATION ACCOUNT

| <i>Dr.</i> | | APPROPRIATION ACCOUNT | | | | | | <i>Cr.</i> | | |
|------------------------------|---|-----------------------|----|----|--------|-------|-------|------------|-------|-------|
| | | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| To Reserve Fund . | . | . | . | . | 1,000 | — | — | . | . | . |
| „ Balance to Balance Sheet . | . | . | . | . | 1,956 | — | — | . | . | . |
| | | | | | £2,956 | | | £2,956 | | |
| | | | | | Total | Total | Total | Total | Total | Total |

WILLIAM PEARSON & CO., LTD.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | PROPERTY AND ASSETS. | |
|--|------------|------------------------------|-----------|
| £ | s. d. | £ | s. d. |
| <i>Nominal Capital—</i> | | | |
| 50,000 Shares of £1 each . . . | 50,000 — — | Freehold Premises . . . | 6,000 — — |
| | | Machinery and Plant . . . | 600 — — |
| | | Less Depreciation . . . | — — |
| <i>Issued Capital—</i> | | Stock . . . | 5,400 — — |
| 30,000 Shares of £1 each, 10/- called | 15,000 — — | Sundry Debtors . . . | 6,820 — — |
| Less Calls in Arrears . . . | 150 — — | Less Bad Debts Reserve . . . | — — |
| | | | 3,640 — — |
| <i>Mortgage Debentures—</i> | | | 182 — — |
| 45 5% Bonds of £100 each . . . | 4,000 — — | Cash at Bank . . . | 1,150 — — |
| Reserve Fund . . . | 1,000 — — | „ in hand . . . | 190 — — |
| Add Transfer from Profit and Loss . . . | | | — — |
| | | | 1,340 — — |
| Sundry Creditors . . . | | | |
| Unpaid Dividends . . . | | | |
| <i>Profit and Loss Account—</i> | | | |
| Balance available for distribution . . . | | | |
| | £ | | £ |
| | 28,518 | | 28,518 |

EXERCISE XV (B)-----No. 16 (contd.).

MESSRS. P. PINK AND B. BROWN
BALANCE SHEET AS AT 31ST DECEMBER, 19..

[illegible]

EXERCISE XV (B)—No. 17.

TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Dr.

Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---------------------------------------|--------|----|----|----------|----|----|----------|----|----|
| To Stock, 1st Jan. | | | | 32,000 | — | — | | | |
| " Purchases | 52,350 | — | — | | | | 136,500 | — | — |
| " Less Returns Outwards | 750 | — | — | | | | 400 | — | — |
| | | | | | | | | | |
| By Sales | | | | | | | | | |
| " Less Returns Inwards | | | | | | | | | |
| " Stock, 31st Dec. | | | | 51,600 | — | — | | | |
| | | | | 28,550 | — | — | | | |
| Manufacturing Wages | | | | 11,500 | — | — | | | |
| " Manufacturing Charges | | | | 36,150 | — | — | | | |
| " Balance, Gross Profit c/d | | | | | | | | | |
| | | | | £159,800 | — | — | | | |
| | | | | | | | £159,800 | — | — |

EXERCISE XV (B)—No. 17 (contd.).

Dr.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|--|-------|----|----------|-----|----|----|----------|----|----|
| To Trade Expenses | | | | | | | | | |
| " Rates and Taxes | | | 6,850 | | | | | | |
| " General Expenses | | | 250 | | | | | | |
| " Salaries | | | 2,640 | | | | | | |
| " Insurance | | | 1,500 | | | | | | |
| " Less Amount prepaid | 190 | — | — | | | | | | |
| | 90 | — | — | | | | | | |
| Discount | | | 100 | | | | | | |
| " Interest and Bank Charges | | | 1,800 | | | | | | |
| " Directors' Fees | | | 350 | | | | | | |
| " Bad Debts | | | 500 | | | | | | |
| " Bad Debts Res. (5% of £52,500) | 2,625 | — | — | 570 | — | — | | | |
| " Less Old Reserve | 2,600 | — | — | | | | | | |
| | | | 25 | | | | | | |
| Depreciation— | | | | | | | | | |
| Patents (10% of £5,000) | 500 | — | — | | | | | | |
| Machinery and Plant | 2,136 | — | — | | | | | | |
| (6% of £35,600) | | | | | | | | | |
| Land and Buildings | 667 | 10 | — | | | | | | |
| (3% of £22,250) | | | | | | | | | |
| | | | 3,303 | 10 | — | — | | | |
| | | | 18,261 | 10 | — | — | | | |
| Balance, Net Profit c/d | | | | | | | | | |
| | | | £ 36,150 | | | | £ 36,150 | | |

EXERCISE XV (B)—No. 17 (contd.).

APPROPRIATION ACCOUNT

Cy.

| <i>Dr.</i> | £ | s. d. | £ | s. d. |
|--|----------|-------|---|-------------|
| To Remuneration to Mang. Director (10% of £18,261/10/-) | 1,826 | 3 - | | |
| " Reserve Fund | 2,500 | - - | | |
| " " Balance Sheet | 14,685 | 7 - | | |
| | £ 19,011 | 10 - | £ | |
| | | | | £ |
| | | | | 18,261 10 - |
| | | | | £ 750 - - |

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| BALANCE SHEET AS AT 31st DECEMBER, 19.. | | | | | |
|--|---------|-------|----------|-------|---------------|
| CAPITAL AND LIABILITIES. | | | | | |
| Nominal Capital— | | | | | |
| 15,000 Ordinary Shares of £10 each | £ | s. d. | £ | s. d. | £ s. d. |
| | 150,000 | — | | | 21,582 10 — |
| Issued Capital— | | | | | |
| 9,000 Ordinary Shares of £10 each, fully paid. | 5,000 | — | 90,000 | — | 33,464 — |
| Reserve Fund | 2,500 | — | | | 4,500 — |
| Add Transfer from Profit and Loss | | | 7,500 | — | 23,700 — |
| Sundry Creditors | | | 21,750 | — | 49,875 — |
| Directors' Fees Outstanding | | | 500 | — | |
| Managing Directors' Remuneration | | | 1,826 | 3 — | |
| Profit and Loss Account— | | | | | |
| Balance available for distribution | | | 14,685 | 7 — | 3,050 90 — |
| | | | £136,261 | 10 — | £136,261 10 — |

THE BROWN BOX CO., LTD.

| <i>Dr.</i> | APPROPRIATION ACCOUNT | | | | | | <i>Cr.</i> | | |
|--------------------------------|-----------------------|-----------|-----------|----------------|-----------|-----------|------------|----------------|-----------|
| | <i>£</i> | <i>s.</i> | <i>d.</i> | <i>£</i> | <i>s.</i> | <i>d.</i> | <i>£</i> | <i>s.</i> | <i>d.</i> |
| To Preference Share Dividend . | . | . | . | | | | | <i>f</i> | <i>d.</i> |
| " Ordinary Share Dividend " | . | . | . | 171 | — | — | . | <i>f</i> | <i>d.</i> |
| " Balance to Balance Sheet . | . | . | . | 114 | — | — | . | 1,928 | 11 10 |
| | . | . | . | 2,115 | 19 | — | . | | |
| | | | | <i>£</i> 2,400 | 19 | — | | <i>£</i> 2,400 | 19 — |

EXERCISE XV (B)—No. 18 (*contd.*).

THE BROWN BOX CO., LTD.

BALANCE SHEET AS AT 31st DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | PROPERTY AND ASSETS. | |
|--|---------|----------------------------------|---------|
| <i>Nominal Capital—</i> | | Freehold Land and Buildings | |
| 5,000 6% Preference Shares of £1 each | £ 5,000 | Less Depreciation | £ 3,607 |
| 5,000 Ordinary Shares of £1 each | £ 5,000 | Plant and Machinery | 1,727 |
| | | Less Depreciation | 172 |
| | | Furniture and Fittings | 946 |
| | | Less Depreciation | 47 |
| <i>Issued Capital—</i> | | Stock | 3,764 |
| 3,000 6% Preference Shares of £1, fully paid | £ 3,000 | Sundry Debtors | 400 |
| 4,800 Ordinary Shares of £1, fully paid | £ 4,800 | Less Bad Debts Reserve | 822 |
| Sundry Creditors | | Cash at Bank | 63 |
| <i>Profit and Loss Account—</i> | | „ in hand | 57 |
| Balance available for distribution. | | <i>Unexpired Amounts—</i> | 9 |
| | | Insurance | 17 |
| | | Rates and Taxes | 26 |
| | | | 15 |
| | | | 8 |
| | | | 12,060 |
| | | | 4 |
| | | | 1 |

EXERCISE XV (B)—No. 19.

THE CHESHIRE MANUFACTURING CO., LTD.

Dr. TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19... Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---|-------|----|----|----------|----|----|---|-------|----------|
| To Stock, 1st Jan. | | | | 11,420 | | | By Sales | | |
| " Purchases | | | | 43,249 | | | " Stock, 31st Dec. | 2,000 | |
| " Carriage Inwards | | | | 220 | | | " Loose Tools, 31st Dec. | 1,752 | |
| " Wages | 9,371 | | | | | | Less Tools, 1st Jan. | | |
| Add Reserve for Wages | 50 | | | | | | | | |
| " Fuel | | | | 9,421 | | | | | 248 |
| " Balance, Gross Profit c/d | | | | 7,978 | | | | | |
| | | | | £ 72,858 | | | | | £ 72,858 |
| To Salaries | | | | 975 | | | By Trading Account b/d | | |
| " Repairs | | | | 415 | | | " Discounts Received | | |
| " Bad Debts | | | | 275 | | | " Discount Reserve on Creditors | | |
| " Postages | | | | 88 | | | (2½ % of £9,100) | | |
| " Rates, Taxes, and Insurance | 524 | | | | | | | | |
| Less Insurance prepaid | 21 | | | | | | | | |
| " Discounts Allowed | | | | 503 | | | | | |
| " Travelling Expenses | | | | 517 | | | | | |
| " Office Expenses | | | | 302 | | | | | |
| " Carriage Outwards | | | | 363 | | | | | |
| " Interest and Bank Charges | | | | 410 | | | | | |
| " Debenture Interest | 375 | | | 75 | | | | | |
| Add Debenture Interest accrued | 375 | | | | | | | | |
| " Directors' Fees | | | | 750 | | | | | |
| " Bad Debts Reserve (amount provided) | | | | 550 | | | | | |
| " Reserve for Discount on Debtors | | | | 400 | | | | | |
| (5% of £24,300 - £400) | | | | 1,195 | | | | | |
| Depreciation— | | | | | | | | | |
| Plant and Machinery (10% of £5,620) | 562 | | | | | | | | |
| Land and Buildings (1% of £25,100) | 251 | | | | | | | | |
| " Balance, Net Profit | | | | £8,531 | | | | | £8,531 |

THE HIGBURN MANUFACTURING CO., LTD.

444

EXERCISE XV (B)—No. 20 (contd.).

THE HIGHBURN MANUFACTURING CO., LTD.

BALANCE SHEET AS AT 30TH JUNE, 19..

| CAPITAL AND LIABILITIES | | | PROPERTY AND ASSETS | | |
|---|--------|-------|---------------------|-------|--------------|
| | £ | s. d. | £ | s. d. | £ s. d. |
| <i>Nominal Capital—</i> | | | | | |
| 40,000 Ordinary Shares of £1 each | 40,000 | — — | | | 12,450 — — |
| | | | | | |
| <i>Issued Capital—</i> | | | | | |
| 40,000 Ordinary Shares of £1 each, 15/- called up | 30,000 | — — | | | 18,750 — — |
| Less Calls in Arrears | 205 | — — | | | 1,875 — — |
| | | | | | |
| <i>Debentures—</i> | | | | | |
| 50 £100 Bonds | | | | | 3,750 — — |
| Reserve Fund | | | | | 375 — — |
| Sundry Creditors | | | | | |
| <i>Profit and Loss Account—</i> | | | | | |
| Balance available for distribution | | | | | |
| | | | 29,795 | — — | 16,875 — — |
| | | | 5,000 | — — | |
| | | | 5,000 | — — | 3,375 — — |
| | | | 7,728 | — — | 6,900 — — |
| | | | | | |
| | | | 4,891 | — — | 11,248 — — |
| | | | | | 1,470 — — |
| | | | | | 96 — — |
| | | | | | |
| | | | £ 52,414 | — — | £ 52,414 — — |

EXERCISE XV (B)---No. 20 (contd.).

THE HIGBURN MANUFACTURING CO., LTD.

APPROPRIATION ACCOUNT

| <i>Dr.</i> | APPROPRIATION ACCOUNT | | | | | | <i>Cr.</i> |
|----------------------------|-----------------------|----|---------------|---|----|---------------|------------|
| | £ | s. | d. | £ | s. | d. | |
| To Dividends paid | : | | 1,415 | - | | 3,463 | |
| „ Balance to Balance Sheet | : | | 4,881 | - | | 2,843 | |
| | | | <u>£6,306</u> | - | | <u>£6,306</u> | |
| | | | | | | | |

446 EXERCISE XV (B)---No. 21.

THE NORTH LONDON ENGINEERING CO., LTD.

TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

[illegible]

EXERCISE XV (B)—No. 21 (*contd.*).

THE NORTH LONDON ENGINEERING CO., LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| Dr. | £ | s. | d. | £ | s. | d. | £ | s. | d. | Cr. |
|---|-------|----|----|----------|----|----|----------------------------------|----|----|----------|
| To Salaries | | | | 2,400 | — | — | By Trading Account b/d | | | £ 11,366 |
| " Rates, Taxes, and Insurance | | | | 252 | — | — | " Rents Receivable | | | 374 |
| " Trade Expenses | | | | 721 | — | — | | | | |
| " Repairs | | | | 240 | — | — | | | | |
| " Mortgage Debenture Interest | 180 | — | — | | | | | | | |
| " Add Amount due for $\frac{1}{2}$ year | 180 | — | — | | | | | | | |
| " Auditor's Fee | | | | 360 | — | — | | | | |
| " Interest Payable and Bank Chgs. | | | | 75 | — | — | | | | |
| " Bad Debts | | | | 138 | — | — | | | | |
| " Bad Debts Reserve | 362 | — | — | 578 | — | — | | | | |
| " (5% of £7,240) | | | | | | | | | | |
| " Less Old Reserve | 321 | — | — | 41 | — | — | | | | |
| " Depreciation — | | | | | | | | | | |
| " Patents (20% of £900) | 180 | — | — | | | | | | | |
| " Plant and Machinery | 1,248 | — | — | | | | | | | |
| " (10% of £12,480) | | | | 1,428 | — | — | | | | |
| " Balance, Net Profit c/d | | | | 5,507 | — | — | | | | |
| | | | | 11,740 | — | — | | | | |
| | | | | £ 11,740 | — | — | | | | |

APPROPRIATION ACCOUNT

Dr.

Cr.

| | | £ | s. | d. | | | | £ | s. | d. | | | |
|--------------------------------------|---|----|----|-------|---|---|--------------------------------------|---|----|----|--|--|--|
| To Reserve Fund | . | | | 1,500 | — | — | By Profit and Loss Account | | | | | | |
| " Balance to Balance Sheet | . | | | 4,007 | — | — | | | | | | | |
| | | | | | | | | | | | | | |
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THE LANCASHIRE AND CHESHIRE ENGINEERING CO., LTD.

APPROPRIATION ACCOUNT449

PURCHASES BOOK

(Additional columns for (1) Discount and (2) Returns and Allowances may be inserted at the discretion of teachers.)

EXERCISE XV (B)—No. 24.

E. F. & CO.'S LEDGER

| Dr. | | | | Cr. | | | |
|-------------|---------------|------|-------|--------|---------------------|------|-------|
| J. J. & Co. | | | | | | | |
| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
| Feb. 1 | To Sales | 350 | - - | Feb. 1 | By Bills Receivable | 354 | 11 6 |
| " 1 | " Interest | 4 | 7 6 | | | | |
| | (3 mos. @ 5%) | | | | | | |
| " 1 | " Stamp Duty | | 4 - | | | | |
| | | £354 | 11 6 | | | £354 | 11 6 |

CASH ACCOUNT
(Bank Column)

| Dr. | | | | Cr. | | | |
|---------|---------------------|-----|-------|---------|-----------------------------|---|-------|
| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
| Mar. 15 | To Bills Receivable | 350 | - - | Mar. 15 | By Banker's Discount | 1 | 15 6 |
| | | | | | ($\frac{1}{8}$ of £14/3/8) | | |

BILLS RECEIVABLE ACCOUNT

| Dr. | | | | Cr. | | | |
|--------|----------------|-----|-------|---------|---------|-----|-------|
| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
| Feb. 1 | To J. J. & Co. | 354 | 11 6 | Mar. 15 | By Cash | 354 | 11 6 |

J. J. & CO.'S LEDGER

| Dr. | | | | Cr. | | | |
|-------------|------------------|------|-------|--------|--------------|------|-------|
| E. F. & Co. | | | | | | | |
| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
| Feb. 1 | To Bills Payable | 354 | 11 6 | Feb. 1 | By Purchases | 350 | - - |
| | | | | " 1 | " Interest | 4 | 7 6 |
| | | | | " 1 | " Stamp Duty | | 4 - |
| | | £354 | 11 6 | | | £354 | 11 6 |

CASH BOOK
(Bank Column)

| Dr. | | | | Cr. | | | |
|-----|--|--|--|--------|------------------|-----|-------|
| | | | | 19.. | | £ | s. d. |
| | | | | Mar. 1 | By Bills Payable | 354 | 11 6 |

BILLS PAYABLE ACCOUNT

| Dr. | | | | Cr. | | | |
|-------|---------|-----|-------|--------|----------------|-----|-------|
| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
| May 4 | To Cash | 354 | 11 6 | Feb. 1 | By E. F. & Co. | 354 | 11 6 |

EXERCISE XV (B)—No. 24 (*contd.*).

FORM OF BILL

| | | |
|--|---|--|
| No. 24. | DUE DATE <i>4th May, 19..</i> | LIVERPOOL. |
| £354:11:6 | | 1st February, 19.. |
| <div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> STAMP 4/- </div> | Three months after date pay to our order the sum of Three hundred and fifty-four pounds, eleven shillings and sixpence, for value received. | |
| To J. J. & Co., Manchester. | | Signatures $\left\{ \begin{array}{l} E. \\ H. \end{array} \right.$ |

EXERCISE XV (B)—No. 25.

Dr. CONSIGNMENT ACCOUNT *Cr.*
 (Consignment of Steel to SMITH & Co., of Melbourne, per S.S. *Ormuz*)

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|---------|---|------|----|----|---------|-------------------------------|------|----|----|
| | To Goods on C'ment (50 tons Steel @ £12½) | 625 | - | - | Dec. 31 | By Smith & Co. . . | 640 | - | - |
| | " Cash | 37 | 10 | - | " 31 | (as per A/s) | 125 | - | - |
| | (Freight on above @ 15/-) | | | | " 31 | " Stock of Iron . | | | |
| Dec. 31 | " Smith & Co.'s Charges as A/s | 48 | 15 | - | " 31 | (10 tons Steel @ £12½ c/d) | 7 | 10 | - |
| " 31 | " Balance (Profit) | 61 | 5 | - | | Expenses c/d . . | | | |
| | | | | | | (½ of £37/10/-) | | | |
| | | £772 | 10 | - | | | £772 | 10 | - |
| Dec. 31 | To Balances b/d— Steel . . . £125 Expenses . . . 7½ | | | | | | | | |
| | | 132 | 10 | - | | | | | |

EXERCISE XV (B)—No. 26.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|------|---------------------------|--------|----|----|------|------------------|--------|----|----|
| | To Interest on Cap. A/cs. | 310 | - | - | | By Balance . . . | 2,510 | - | - |
| | " Partnership Salary . | 400 | - | - | | | | | |
| | " Balance . . . | 1,800 | - | - | | | | | |
| | (Divisible profit) | | | | | | | | |
| | | £2,510 | - | - | | | £2,510 | - | - |

This Account has been raised to show how divisible profit is arrived at. It is NOT part of the question.

EXERCISE XV (B)—No. 26 (contd.).

CAPITAL ACCOUNTS

| <i>Dr.</i> | | W. LONE | | | <i>Cr.</i> | |
|------------|---------------------|---------|----|---------|-----------------------------|------------|
| | | £ | s. | d. | | £ s. d. |
| 19.. | | | | 19.. | | |
| Jan. 1 | To Cash . . . | 400 | — | Jan. 1 | By Balance . . . | 2,000 — — |
| Dec. 31 | " Drawings . . . | 480 | — | " 1 | " Goodwill (‡) . . . | 1,200 — — |
| " 31 | " Balance c/d . . . | 3,360 | — | " 1 | " Interest . . . | 140 — — |
| | | | | " 1 | " Share of Profit (‡) . . . | 900 — — |
| | | £4,240 | — | | | £4,240 — — |
| | | | | Dec. 31 | By Balance b/d . . . | 3,360 — — |

| <i>Dr.</i> | | T. STANLEY | | | <i>Cr.</i> | |
|------------|---------------------|------------|----|---------|-----------------------------|------------|
| | | £ | s. | d. | | £ s. d. |
| 19.. | | | | 19.. | | |
| Dec. 31 | To Drawings . . . | 480 | — | Jan. 1 | By Balance . . . | 1,800 — — |
| " 31 | " Balance c/d . . . | 2,640 | — | " 1 | " Goodwill (‡) . . . | 600 — — |
| | | | | " 31 | " Interest . . . | 120 — — |
| | | | | " 31 | " Share of Profit (‡) . . . | 600 — — |
| | | £3,120 | — | | | £3,120 — — |
| | | | | Dec. 31 | By Balance b/d . . . | 2,640 — — |

| <i>Dr.</i> | | M. MAXWELL | | | <i>Cr.</i> | |
|------------|---------------------|------------|----|---------|-----------------------------|------------|
| | | £ | s. | d. | | £ s. d. |
| 19.. | | | | 19.. | | |
| Dec. 31 | To Drawings . . . | 480 | — | Jan. 1 | By Balance . . . | 1,000 — — |
| " 31 | " Balance c/d . . . | 1,270 | — | Dec. 31 | " Interest . . . | 50 — — |
| | | | | " 31 | " Salary . . . | 400 — — |
| | | | | " 31 | " Share of Profit (‡) . . . | 300 — — |
| | | £1,750 | — | | | £1,750 — — |
| | | | | Dec. 31 | By Balance b/d . . . | 1,270 — — |

EXERCISE XV (C)—No. 1.

(a) An Appropriation Account is an "extra" subdivision of the Profit and Loss Account. It is designed to show how the "profit" of the year is appropriated. The account subjoined shows on its *debit* side to what purposes the profit of the company has been appropriated. This account is raised only in connection with joint stock companies.

| Dr. | APPROPRIATION ACCOUNT | | Cr. | |
|--|-----------------------|---------------|---------------------------------------|---------------|
| To Preference Share Dividends . . . | £ | 1,000 | By Balance brought forward from . . . | £ |
| „ Ordinary Share Dividends . . . | | 500 | December last year . . . | 850 |
| „ Managing Directors' Remuneration (5% of £8,000) . . . | | 400 | „ Current Year's Profit . . . | 8,000 |
| „ Superannuation Fund . . . | | 250 | | |
| „ Balance to Balance Sheet . . . | | 6,700 | | |
| | | <u>£8,850</u> | | <u>£8,850</u> |

Preliminary Expenses and Goodwill are now generally viewed as capital expenditure, and it is thought consistent practice to write off any values relating to them through this account.

(b) A "charge against profits" is a term which signifies that the profit earned in business has been secured by an expense inevitable to that result. For example, a trader may receive a loan from his banker of, say, £500 at 5 per cent per annum. Now, the purpose to which he applies that £500 will obviously be for earning profit in his business. Let it be suggested that the return to the trader on his investment of the bank loan in his business yields £100 profit; then, against this £100 must be offset the £25 for interest due to the bankers. Therefore, the £25 is said to be a charge against the profit of £100 earned, because the trader cannot reasonably conclude that he has earned £100 whilst he is under an obligation in regard to the means by which he was able to secure that income.

An "appropriation of profits" is a term used to signify that the available profit of a business may be set apart for creating special reserves, providing for dividends, and for writing down items of capital expenditure, e.g. Goodwill.

The distribution of dividends is an example of the appropriation of profits, because their distribution can take place only when profit is available for the purpose. This aspect may be made clearer if it be understood that in the circumstance of a trade reverse, the directors would be unable to declare a dividend because of there being no available profit for the purpose.

(c) Assets which do not lend themselves to classification as being either "fixed" or "floating" are those which are not acquired as a means of earning income; or for the purpose of trading with them, i.e. converting them into cash or commodities or their equivalents.

Examples of these are—

- (1) Goodwill.
- (2) Preliminary Expenses.
- (3) Debenture (or Share) Discount.

(1) *Goodwill* is acquired when a business is purchased as a going concern, and it is represented by a price paid to the vendor in satisfaction of the "profits" normally expected to be associated with the business taken over. This asset may be said to be of value to the new proprietors in the exact proportion to the changing values of the Trade Debtors taken over.

(2) *Preliminary Expenses* are the initial costs incurred on the formation of a business (see also *Advanced Accounts*, page 534).

(3) *Debenture Discount* arises on an issue of debentures by a company, when the price at which they are issued is less than their "par" value. The discount is the margin of price below par at which they may be bought, e.g. debentures issued at £98 per cent means that the £2, below par value of £100, is discount.

EXERCISE XV (C)—No. 2.

JOURNAL OF THE RAYON D'OR PUBLISHING CO., LTD.

| 19.. | | £ | s. | d. | £ | s. | d. |
|---------|---|----------|----|----|--------|----|----|
| Dec. 31 | Profit and Loss Account | 11,400 | — | — | 11,400 | — | — |
| | To Appropriation Account | | | | | | |
| | For transfer of balance. | | | | | | |
| „ 31 | Preference Stock Dividend Account | 3,000 | — | — | | | |
| | To Preference Stockholders | | | | 2,250 | — | — |
| | „ Income Tax | | | | 750 | — | — |
| | For provision of dividends to stock- holders at 6%, less income tax @ 5/- in £. | | | | | | |
| „ 31 | Appropriation Account | 3,000 | — | — | 3,000 | — | — |
| | To Preference Stock Dividend A/c | | | | | | |
| | For transfer of balance. | | | | | | |
| „ 31 | Ordinary Share Dividend Account | 4,800 | — | — | | | |
| | To Ordinary Shareholders | | | | 3,600 | — | — |
| | „ Income Tax | | | | 1,200 | — | — |
| | For provision of dividend to share- holders at 8%, less income tax @ 5/- in £. | | | | | | |
| „ 31 | Appropriation Account | 4,800 | — | — | 4,800 | — | — |
| | To Ordinary Share Dividend | | | | | | |
| | For transfer of balance. | | | | | | |
| „ 31 | Appropriation Account | 1,500 | — | — | 1,500 | — | — |
| | To Renewals Reserve | | | | | | |
| | Provision for addition to reserve | | | | | | |
| | | £ 28,500 | — | — | 28,500 | — | — |

THE WELSH MANUFACTURING CO., LTD.

TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

[illegible]

APPROPRIATION ACCOUNT

| Dr. | APPROPRIATION ACCOUNT | | | | Cr. |
|--------------------------------------|-----------------------|-------|-------------------------------------|-------|---------------|
| | £ | s. d. | £ | s. d. | |
| To Dividend paid | | | | | £ 2,388 |
| " Balance to Balance Sheet | | | By Balance, 1st Jan. | | 3,225 |
| | | | " Profit and Loss Account | | 5,613 |
| | | | | | <u>£5,613</u> |

EXERCISE XV (C)—No. 3 (contd.).

THE WELSH MANUFACTURING CO., LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| Dr. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|------------------------------------|-------|----|----|----------|----|----|---|----|----|----------|----|----|
| To Rent, Rates, and Taxes . . . | | | | 987 | — | — | | | | | | |
| " Repairs to Machinery . . . | | | | 444 | — | — | | | | | | |
| " Salaries | | | | 3,400 | — | — | | | | | | |
| " Insurance | 335 | — | — | | | | | | | | | |
| " Less Amount paid in advance . | 93 | — | — | | | | | | | | | |
| " Discounts | | | | 242 | — | — | | | | | | |
| " General Expenses | | | | 448 | — | — | | | | | | |
| " Travelling and Exhibition Exps.. | | | | 2,007 | — | — | | | | | | |
| " Bad Debts | | | | 948 | — | — | | | | | | |
| " Depreciation— | | | | 542 | — | — | | | | | | |
| Fittings and Fixtures . . . | 65 | — | — | | | | | | | | | |
| (10% of £650) | | | | | | | | | | | | |
| Plant and Machinery | 1,175 | — | — | | | | | | | | | |
| (10% of £11,750) | | | | | | | | | | | | |
| Premises (2% of £10,000) . . . | 200 | — | — | | | | | | | | | |
| " Balance, Ner Profit c/d . . . | | | | 1,440 | — | — | | | | | | |
| | | | | 3,225 | — | — | | | | | | |
| | | | | £ 13,683 | — | — | | | | £ 13,683 | — | — |

THE WELSH MANUFACTURING CO., LTD.
BALANCE SHEET AS AT 31ST DECEMBER, 19..

COMMENTS UPON THE BALANCE SHEET, ETC.

- (1) It would appear that the Company is overtrading, as the bank has been overdrawn.
- (2) The item "Finished Goods" suggests the anticipation of trade too far ahead.
- (3) The Bad Debts Reserve appears to be on too liberal a scale.
- (4) A dividend could not be considered, as there is no available cash.
- (5) The item "Wages" being 28.15 per cent, shows favourably in relation to turnover.
- (6) The Company is not "robust."

EXERCISE XV (C)—No. 4.

THE POSTFORD MANUFACTURING CO., LTD.

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 19..

| Dr. | TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 19.. | | Cr. | |
|---|--|----------|------------------------------|--------|
| | £ | s. d. | £ | s. d. |
| To Stock, 1st Jan. | | 8,990 | By Sales | 37,950 |
| " Purchases | | 15,345 | " Stock, 31st Dec. | 9,050 |
| " Wages | | 13,671 | | |
| " Fuel | | 485 | | |
| " Balance, Gross Profit. | | 8,509 | | |
| | £ | 47,000 | | £ |
| To Repairs | 472 | - | By Trading Account | 8,509 |
| Less $\frac{1}{4}$ to be carried forward | 236 | - | | |
| Office Expenses | | 236 | | |
| " Discount | | 362 | | |
| " Salaries | | 83 | | |
| " Postages and Telegrams | | 1,062 | | |
| " Rates and Taxes | | 116 | | |
| " Travelling Expenses | | 239 | | |
| " Interest and Bank Charges | | 317 | | |
| " Cost of New Catalogues ($\frac{1}{3}$ of £300) | | 402 | | |
| " Directors' Fees | | 100 | | |
| " Bad Debts Res. (5% of £9,847) | 492 | 7 | | |
| Less Old Reserve | 250 | - | | |
| " Depreciation— | | 242 | | 7 |
| Loose Tools (20% of £1,856) | 371 | 4 | | |
| Boiler and Heating Plant | 59 | 4 | | |
| (10% of £592) | | | | |
| Plant and Machinery | 565 | 8 | | |
| (10% of £5,654) | | | | |
| " Balance, Net Profit | | 995 16 | | |
| | | 4,053 17 | | |
| | | £8,509 | | £8,509 |

THE POSTFORD MANUFACTURING CO., LTD.
BALANCE SHEET AS AT 31ST DECEMBER, 19..

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EXERCISE XV (C)—No. 5.

MARTIN HANSON & CO., LTD.

Dr.

TRADING ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 19..

Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---------------------------------------|--------|----|----|----------|----|----|----------|----|----|
| To Stock, 1st Jan. | | | | | | | | | |
| " Purchases | 17,315 | 10 | 7 | 8,302 | 6 | 2 | 48,701 | 17 | 2 |
| Less Returns Outward | 51 | 10 | 11 | | | | 8,605 | 18 | 9 |
| Wages | | | | 17,263 | 19 | 8 | | | |
| " Coal | | | | 18,658 | 11 | 7 | | | |
| " Balance, Gross Profit c/d | | | | 1,890 | 19 | 1 | | | |
| | | | | 11,191 | 19 | 5 | | | |
| | | | | £ 57,307 | 15 | 11 | £ 57,307 | 15 | 11 |

MARTIN HANSON & CO., LTD.

APPROPRIATION ACCOUNT463

EXERCISE XV (C)—No. 5 (contd.).

MARTIN HANSON & CO., LTD.
BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | PROPERTY AND ASSETS. | |
|--|---------|---|-------------|
| £ | s. d. | £ | s. d. |
| <i>Nominal and Issued Capital—</i> | | Freehold | |
| 13,500 8% Preference Shares of £1 each, fully paid | 13,500 | Add Additions | 81 9 9 |
| 58,000 Ordinary Shares of £1 each, fully paid | 58,000 | Fixed Plant | 4,400 |
| | £71,500 | Less Depreciation | 220 |
| | | Loose Tools, etc. | 2,750 5 |
| 4½% Debenture Stock | 19,500 | Less Depreciation | 2,513 15 |
| Reserve Fund | 6,100 | Add New Plant (Lower) | 2,829 12 9 |
| Special Reserve Account | 1,394 | Less Depreciation | 14 9 5 |
| Loans | 5,580 | Horse and Carts | 250 |
| Sundry Creditors | 3,363 | Less Depreciation | 50 |
| Ordinary Share Dividend accrued | 2,900 | Patterns and Models | 3,200 |
| Profit and Loss Account— | 4,183 | Less Depreciation | 320 |
| Balance available for distribution | | | 2,880 |
| | | Add New Patterns | 525 5 10 |
| | | Less Depreciation | 3,405 5 10 |
| | | New Electric Light Installation | 28 5 4 |
| | | Less £ written off | 300 |
| | | Furniture | 100 |
| | | Less Depreciation | 200 |
| | | Goodwill | 10 |
| | | Stock | |
| | | Stock of Horse-keep | |
| | | Sundry Debtors | |
| | | Less Bad Debts Reserve | |
| | | " Discount Reserve | 11,612 8 5 |
| | | | £937 |
| | | Loans to Workmen | 1,267 |
| | | Investments | |
| | | Add Dividends accrued | 707 |
| | | Bank | 150 |
| | | Cash in hand | 6,593 10 10 |
| | | | 99 16 8 |
| | | | £114,471 |
| | | | £114,471 |

EXERCISE XV (C)—No. 6.

(1) TRIAL BALANCE—(ITEMS ONLY)

Trading Account—

| | | |
|-------------------------|------------------------|----------------|
| Stock (at commencement) | Manufacturing Expenses | Sales |
| Purchases | Returns Outward | Returns Inward |
| Carriage Inwards | Factory Rent, Power, | |
| Manufacturing Wages | Light, etc. | |

Profit and Loss Account—

| | | |
|-----------------------|----------------------|-------------------------|
| Carriage Outwards | Insurance | Stationery and Postages |
| Discounts Received | Advertising | Commission |
| Discounts Allowed | Lighting and Heating | Travelling |
| Office Salaries | Interest | Repairs |
| General Expenses | Depreciation | Bank Charges |
| Office Rent and Rates | Bad Debts | |

Balance Sheet—

| | | |
|------------------|---------------------|------------------|
| Cash | Patents | Sundry Creditors |
| Bank | Motor Lorries | Sundry Debtors |
| Bills Payable | Plant and Machinery | Capital |
| Bills Receivable | Land and Buildings | Drawings |
| Office Furniture | Goodwill | |

Adjustments required at Balancing time—

- (1) Valuation of Stock in hand at close.
- (2) Provision of Interest on Capital.
- (3) Provision for Bad and Doubtful Debts by a Reserve therefor.
- (4) Provision for—(a) Outstanding items, as Rent due.
(b) Unexpired items, as Insurance prepaid.

(2)

(a) Single Account System.

The view of what is deemed "profit" under this system is gauged by the *net* increase in value of assets over liabilities for the financial year just closed. A realized surplus on any one particular asset may not be considered available for distribution to shareholders without reference to the general financial position of the concern.

(b) Double Account System.

The view of what is deemed "profit" under this system is measured by the difference between "income" and "expenditure" as shown by the Revenue Account without reference to the depreciation (or it may be the appreciation) of the fixed assets as shown in the Capital Account.)

(c) Third System.

When the "Memorandum of Association" provides power for its directors to invest capital in a "wasting" asset and exemption from providing means for the renewal of the same, then the "profit" of the company available for distribution is the excess of the year's income over the year's expenses properly chargeable to revenue without provision for depreciation of fixed assets.

(d) Fourth System.

Provision for losses of Capital (Fixed and Floating) are not necessarily to be included in the statement of profit before determining the "profit" of the company. It would seem that, unless specifically provided for in the Memorandum or Articles of Association, the "profit" of a company normally relates to the excess of income over expenses properly chargeable against revenue.

EXERCISE XV (C)—No. 7.

The method adopted to make the Bought and Sales Ledgers balance independently is by means of adjustment accounts, which accounts are clearly explained and illustrated in Advanced Accounts.

To keep the position of the Bank Account from the Ledger clerks, it would be necessary to arrange for the Bank Account (total amounts of receipt and payments) to be kept in the Private Ledger.

EXERCISE XV (C)—No. 8.

| Dr. | | REALIZATION ACCOUNT | | | | Cr. | | |
|------|--------------------|---------------------|----|----|------|--|----------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| | To Sundry Assets . | 22,100 | — | — | | By Cash (including £500 for Goodwill) | 21,800 | — |
| | „ Cash (Expenses) | 300 | — | — | | „ Balance . . . | 600 | — |
| | | | | | | (Loss transferred to Profit and Loss A/c) | | |
| | | £ 22,400 | — | — | | | £ 22,400 | — |

| Dr. | | CASH ACCOUNT | | | | Cr. | | | |
|------|--------------------|--------------|----|----|------|----------------------------------|----------|----|----|
| 19.. | To Realization A/c | £ | s. | d. | 19.. | By Realization A/c (Expenses) | £ | s. | d. |
| | | 21,800 | — | — | | „ J. Harrison | 300 | — | — |
| | | | | | | „ Sundry Creditors | 4,000 | — | — |
| | | | | | | „ L. Brier | 4,200 | — | — |
| | | | | | | „ C. Oke | 10,590 | — | — |
| | | | | | | | 2,710 | — | — |
| | | £ 21,800 | — | — | | | £ 21,800 | — | — |

| Dr. | | PROFIT AND LOSS ACCOUNT | | | | Cr. | | |
|------|--|-------------------------|----|----|------|--------------|--------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| | To Interest on L. Brier's Capital . | 2,000 | — | — | | By Balance . | 12,500 | — |
| | „ Loss on Realization . | 600 | — | — | | | | |
| | „ Balance, Net Profit to Capital A/cs— | | | | | | | |
| | L. Brier, $\frac{2}{3}$. | £3,940 | | | | | | |
| | C. Oke, $\frac{1}{3}$. | 3,960 | | | | | | |
| | | 9,900 | — | — | | | | |
| | | £ 12,500 | — | — | | £ 12,500 | — | — |

| Dr. | | L. BRIER'S CAPITAL ACCOUNT | | | | Cr. | | |
|---------|-----------------------|----------------------------|----|----|---------|-------------------------|----------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Dec. 31 | To Drawings A/c . . . | 5,350 | — | — | Dec. 31 | By Balance . . . | 8,000 | — |
| " 31 | " Cash . . . | 10,590 | — | — | | " Interest . . . | 2,000 | — |
| | | | | | | " Profit and Loss A/c . | 5,940 | — |
| | | £ 15,940 | — | — | | | £ 15,940 | — |

EXERCISE XV (C)—No. 8 (*contd.*).

Dr. L. BRIER'S DRAWINGS ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|---------|------------------|-------|----|----|---------|----------------------|-------|----|----|
| Dec. 31 | To Balance . . . | 5,350 | - | - | Dec. 31 | By Capital A/c . . . | 5,350 | - | - |

Dr. C. OKE'S CAPITAL ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|---------|-----------------------|--------|----|----|---------|------------------------------|--------|----|----|
| Dec. 31 | To Drawings A/c . . . | 1,250 | - | - | Dec. 31 | By Profit and Loss A/c . . . | 3,960 | - | - |
| " 31 | " Cash . . . | 2,710 | - | - | | | | | |
| | | £3,960 | - | - | | | £3,960 | - | - |

Dr. C. OKE'S DRAWINGS ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|---------|------------------|-------|----|----|---------|----------------------|-------|----|----|
| Dec. 31 | To Balance . . . | 1,250 | - | - | Dec. 31 | By Capital A/c . . . | 1,250 | - | - |

EXERCISE XV (C)—No. 9.

JOURNAL ENTRIES FOR ADJUSTMENT

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|-------------------------------|------|----|----|------|----|----|
| | Suspense Account | 10 | 9 | - | 10 | 9 | - |
| | To W. Brown | | | | | | |
| | Sundry Debtors | 6 | 3 | 2 | 6 | 3 | 2 |
| | To Suspense Account | | | | | | |
| | Returns Inwards | 27 | 10 | - | 27 | 10 | - |
| | To R. Carr | | | | | | |
| | Bradart Freres | 220 | - | - | 220 | - | - |
| | To Bank | | | | | | |
| | | £264 | 2 | 2 | £264 | 2 | 2 |

EXERCISE XV (C)—No. 10.

See *Advanced Accounts* pages 18 and 19 (under "Loose-leaf and Card Ledger").

EXERCISE XV (C)—No 11

THE MOTOR MANUFACTURING CO., LTD.

Dr.

TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £. | s. | d. | | £. | s. | d. |
|-----------------------------------|----------|----|----|------------------------------|----------|----|----|
| To Stock, 1st Jan. | 18,750 | — | — | By Sales | 122,000 | — | — |
| " Purchases | 62,100 | — | — | " " Stock, 31st Dec. | 10,087 | — | — |
| " Manufacturing Wages | 30,000 | — | — | | | | |
| " Coal | 2,225 | — | — | | | | |
| " Royalties | 450 | — | — | | | | |
| " Balance, Gross Profit | 18,562 | — | — | | | | |
| | £132,087 | — | — | | £132,087 | — | — |

THE MOTOR MANUFACTURING CO., LTD.

| Dr. | APPROPRIATION ACCOUNT | | Cr. |
|--|-----------------------|-------|-----------------------------|
| | £ | s. d. | |
| To Sinking Fund Account for Redemption of Debentures . . . | 2,000 | — | By Balance, 1st Jan. . . |
| „ Interim Dividend Paid . . . | 2,000 | — | „ Current Year's Profit . . |
| „ Balance to Balance Sheet . . | 5,890 | 2 6 | |
| | £9,890 | 2 6 | |
| | | | £ 890 |
| | | | 9,000 |
| | | | £9,890 |
| | | | s. d. |
| | | | — 6 |
| | | | 2 6 |

EXERCISE XV (C)—No. 11 (contd.)

THE MOTOR MANUFACTURING CO., LTD.

BALANCE SHEET FOR THE YEAR ENDED 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | £ | | s. | d. | £ | | s. | d. | £ | | s. | d. |
|---|--|--------|---|----|----|----------|--|----|----|----------|--|----|----|
| <i>Nominal Capital—</i> | | 80,000 | — | — | — | 80,000 | | — | — | 18,000 | | — | — |
| 80,000 Shares of £1 each . | | | | | | | | | | | | | |
| <i>Subscribed Capital—</i> | | 60,000 | — | — | — | 60,000 | | — | — | 18,500 | | — | — |
| 60,000 Shares of £1 each, fully called . | | 1,000 | — | — | — | 1,000 | | — | — | | | — | — |
| Less Calls in Arrear . | | | | | | | | | | | | | |
| Debentures 5% . | | 8,000 | — | — | — | 8,000 | | — | — | 5,781 | | 5 | — |
| Sinking Fund Account for Redemption of Debentures . | | 2,000 | — | — | — | 2,000 | | — | — | 3,468 | | 15 | — |
| Add Transfer from Profit and Loss Account . | | 280 | — | — | — | 280 | | — | — | 12,000 | | — | — |
| " Interest on £8,000 @ 3½% . | | | | | | | | | | 10,087 | | — | — |
| Bills Payable . | | | | | | 10,280 | | — | — | | | | |
| Sundry Creditors . | | | | | | 15,500 | | — | — | | | | |
| Profit and Loss Account— | | | | | | 16,800 | | — | — | | | | |
| Balance available for Distribution . | | | | | | 5,890 | | 2 | 6 | 35,625 | | — | — |
| | | | | | | | | | | 8,000 | | — | — |
| | | | | | | | | | | 280 | | — | — |
| | | | | | | | | | | 12,000 | | — | — |
| | | | | | | | | | | 3,000 | | — | — |
| | | | | | | | | | | 150 | | — | — |
| | | | | | | £127,470 | | 2 | 6 | £127,470 | | 2 | 6 |

EXERCISE XV (C)—No. 12.

LEDGER

P's CAPITAL ACCOUNT
(Credit Side)P's DRAWINGS ACCOUNT
(Credit Side)

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|----------|-------------------------------------|-------|----|----|----------|---|-----|----|----|
| Mar. 31 | By Balance . . . | 6,500 | — | — | Mar. 31 | By Balance . . . | 750 | — | — |
| Sept. 30 | „ Interest . . . (5% for 2 mos.) | 54 | 3 | 4 | Sept. 30 | „ Proportion of Profit Due ($\frac{1}{2}$ of £750) . . . | 250 | — | — |
| | | | | | „ 30 | „ Interest . . . (5% for 2 mos. on £1,000) | 8 | 6 | 8 |

EXERCISE XV (C)—No. 13.

JOURNAL

OPENING ENTRIES

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|--|--------|----|----|--------|----|----|
| Jan. 1 | Leasehold Premises | 2,000 | — | — | | | |
| | Fittings, etc. | 480 | — | — | | | |
| | Stock | 4,600 | — | — | | | |
| | Book Debts | 800 | — | — | | | |
| | Cash. | 50 | — | — | | | |
| | To Sundry Creditors | | | | 1,500 | — | — |
| | „ Bank Overdraft | | | | 2,950 | — | — |
| | „ A's Capital | | | | 3,480 | — | — |
| | | £7,930 | — | — | £7,930 | — | — |
| | Cash. | 4,000 | — | — | | | |
| | To B's Capital Account | | | | 3,000 | — | — |
| | „ A's Capital Account (For pre- mium paid by B for share of goodwill.) | | | | 1,000 | — | — |

EXERCISE XV (C)—No. 14.

JOURNAL OF MESSRS. AMBROSE & CO. (NEW)

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|--|----------|----|----|----------|----|----|
| Jan. 1 | Business Purchase Account | 37,500 | — | — | | | |
| | To Vendors' Account | | | | 37,500 | — | — |
| | For purchase of business as per agreement dated 1st Jan. | | | | | | |
| " 1 | Sundry Debtors | 6,000 | — | — | | | |
| | Bills Receivable | 600 | — | — | | | |
| | Land and Buildings | 10,000 | — | — | | | |
| | Plant and Machinery | 7,000 | — | — | | | |
| | Horses and Vehicles | 500 | — | — | | | |
| | Stock | 8,000 | — | — | | | |
| | Work in Progress | 2,000 | — | — | | | |
| | Goodwill | 11,000 | — | — | | | |
| | To Business Purchase Account. | | | | 45,100 | — | — |
| | Sundry Assets acquired as per agreement dated 1st Jan. | | | | | | |
| " 1 | Business Purchase Account | 7,600 | — | — | | | |
| | To Sundry Creditors | | | | 5,000 | — | — |
| | " Bad Debts Reserve | | | | 100 | — | — |
| | " Bills Payable | | | | 2,500 | — | — |
| | Sundry Liabilities as per agree- ment. | | | | | | |
| | Vendors' Account | 37,500 | — | — | | | |
| | To Share Capital Account | | | | 32,500 | — | — |
| | " Cash | | | | 5,000 | — | — |
| | 32,500 shares allotted and balance in cash as payment of purchase price of business. | | | | | | |
| | Sundry Shareholders | 10,000 | — | — | | | |
| | To Share Capital Account | | | | 10,000 | — | — |
| | For issue of 10,000 shares of £1 each. | | | | | | |
| | Cash | 10,000 | — | — | | | |
| | To Sundry Shareholders | | | | 10,000 | — | — |
| | For sums received | | | | | | |
| | | £147,700 | — | — | £147,700 | — | — |

EXERCISE XV (C)—No. 14 (*contd.*).

MESSRS. AMBROSE & Co., LTD.

BALANCE SHEET AS AT 31ST JANUARY, 19 .

| CAPITAL AND LIABILITIES. | | | | PROPERTY AND ASSETS. | | | |
|--------------------------|----------|----|----|------------------------|-------|----|--------|
| | £ | s. | d. | | £ | s. | d. |
| <i>Nominal Capital—</i> | | | | Land & Buildings . . . | | | 10,000 |
| 50,000 Shares of | | | | Plant & Machinery . . | | | 7,000 |
| £1 each | 50,000 | — | — | Horses & Vehicles . . | | | 500 |
| | | | | Goodwill | | | 11,000 |
| <i>Issued Capital—</i> | | | | Stock | | | 8,000 |
| 42,500 Shares of | | | | Work in Progress . . | | | 2,000 |
| £1 each, fully pd. | 42,500 | — | — | Sundry Debtors . . . | 6,000 | — | — |
| Bills Payable . . | 2,500 | — | — | Less Bad Debts | | | |
| Sundry Creditors . | 5,000 | — | — | Reserve | 100 | — | — |
| | | | | | | | 5,900 |
| | | | | Bills Receivable . . | | | 600 |
| | | | | Bank | | | 5,000 |
| | £ 50,000 | — | — | | | | 50,000 |

EXERCISE XV (C)—No. 15. JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|---|----------|----|----|----------|----|----|
| | Business Purchase Account . . | 80,000 | — | — | | | |
| | To Vendor's Account | | | | 80,000 | — | — |
| | Land and Buildings | 35,000 | — | — | | | |
| | Stock, etc. | 15,000 | — | — | | | |
| | Machinery and Plant | 20,000 | — | — | | | |
| | Goodwill | 10,000 | — | — | | | |
| | To Business Purchase Account. | | | | 80,000 | — | — |
| | Vendors' Account | 10,000 | — | — | | | |
| | To Share Capital Account . . | | | | 10,000 | — | — |
| | For 10,000 shares issued to him as part payment. | | | | | | |
| | Application A/c (2/6 per share) . | 12,500 | — | — | | | |
| | Allotment A/c (2/6 per share) . | 12,500 | — | — | | | |
| | First Call (5/- per share) . . | 25,000 | — | — | | | |
| | Final Call (10/- per share) . . | 50,000 | — | — | | | |
| | To Share Capital A/c | | | | 100,000 | — | — |
| | Application A/c | 1,250 | — | — | | | |
| | To Allotment A/c | | | | 1,250 | — | — |
| | For transfer of 10,000 2/6's over- subscribed. | | | | | | |
| | Cash A/c | 97,000 | — | — | | | |
| | To Application A/c | | | | 13,750 | — | — |
| | „ Allotment A/c | | | | 11,250 | — | — |
| | „ First Call | | | | 24,000 | — | — |
| | „ Final Call | | | | 48,000 | — | — |
| | | £368,250 | — | — | £368,250 | — | — |

Calls in arrears would appear in the Balance Sheet as a deduction from Issued Capital.

EXERCISE XV (C)—No. 16.

THE SILVER ORE CO., LTD.

TRADING ACCOUNT FOR THE YEAR ENDED 1ST APRIL, 19..

| TRADING ACCOUNT FOR THE YEAR ENDED 1ST APRIL, 19.. | | | | | | | | | | Cr. | |
|--|---|---|---|---|--|--|--|--|-----------------------------|--------|--------|
| Dr. | | | | | | | | | | | |
| | | | | | | | | | | £ | s. d. |
| To Wages of Miners | . | . | . | . | | | | | By Sales of Silver | 17,000 | - |
| " Royalties | . | . | . | . | | | | | " Sales of Coal | 950 | - |
| " Coal | . | . | . | . | | | | | " Stock (Silver), 1st April | 1,500 | - |
| " Oil | . | . | . | . | | | | | | | |
| " Balance, Gross Profit c/d | . | . | . | . | | | | | | | |
| | | | | | | | | | | £ | 19,450 |

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 1ST APRIL, 19..

| PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 1ST APRIL, 19.. | | | | | | | | | | |
|--|---|-----|----|----|---------------------------------|----|----|---|----|----|
| Dr. | | Cr. | | | | | | | | |
| | | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| To Repairs to Plant | . | . | . | . | By Trading Account | . | . | . | . | . |
| " Advertising | . | . | . | . | " Bank Interest | . | . | . | . | . |
| " Legal Expenses. | . | . | . | . | " Interest on Deposit Account | . | . | . | . | . |
| " Salaries | . | . | . | . | Add Amount due | . | . | . | . | . |
| " Directors' Fees. | . | . | . | . | | | | | | |
| " Expenses of Promotion (1/3 of £600) | . | . | . | . | " Dividends on Rosario Tin Mine | . | . | . | . | . |
| " Depreciation— | | | | | Shares | . | . | . | . | . |
| Plant and Machinery | . | . | . | . | | | | | | |
| (15% of £4,000) | . | . | . | . | | | | | | |
| Light Railway (15% of £1,200) | . | . | . | . | | | | | | |
| Wagons (loss on re-valuation) | . | . | . | . | | | | | | |
| Loose Tools (loss on re-valuation) | . | . | . | . | | | | | | |
| | . | . | . | . | | | | | | |
| " Balance, Net Profit to Appropriation Account | . | . | . | . | | | | | | |
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EXERCISE XV (C)—No. 16 (contd.).

THE SILVER ORE CO., LTD.

BALANCE SHEET AS AT 1ST APRIL, 19..

| CAPITAL AND LIABILITIES. | | PROPERTY AND ASSETS. | |
|--|---------|---|---------------|
| | £ | £ | £ |
| <i>Nominal Capital—</i> | | Land | £ |
| 30,000 5% Preference Shares of £1 each. | 30,000 | Crushing Plant and Machinery. | 4,000 |
| 30,000 Ordinary Shares of £1 each. | 30,000 | Add Carriage on above | 180 |
| | | | |
| | £60,000 | Less Depreciation | 4,180 |
| <i>Issued Capital—</i> | | Light Railway | 600 |
| 21,900 5% Preference Shares of £1 each fully paid. | 21,900 | Less Depreciation | 1,200 |
| 30,000 Ordinary Shares of £1 each fully paid. | 30,000 | | 180 |
| | | Wagons | |
| Forfeited Shares Account | | Cost of Sinking Mine | 51,900 |
| Preference Share Dividend accrued | | Erection of Shed | 75 |
| Income Tax | | Office Furniture | 547 10 |
| <i>Profit and Loss Account—</i> | | Loose Tools | 27 9 4 |
| Balance available for distribution | | Stock of Silver | 5,969 17 6 |
| | | 2,000 Shares in Rosario Tin Mines | |
| | | Cash Deposit (including interest accrued) | |
| | | Cash at Bank | |
| | | Cash in hand | |
| | | Expenses of Promotion | |
| | | Less 3 written off | |
| | | | £58,519 16 10 |
| | | | £58,519 16 10 |

Dr.

APPROPRIATION ACCOUNT

Cr.

| | £ | £ | £ |
|--|----------|------------|-----------|
| To Interim Dividend on Preference Shares paid 2nd Oct., less Tax | 521 18 2 | | |
| " Income Tax on above. | 27 9 4 | | |
| " Preference Share Dividend accrued | | 549 7 6 | |
| " Balance to Balance Sheet | | 547 10 6 | |
| | | 5,969 17 6 | |
| | | £7,066 15 | |
| | | | £7,066 15 |

THE PLEASANT HOTEL CO., LTD.

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Dr.

Cy.

[illegible]

Dr.

PROPOSED APPROPRIATION ACCOUNT

Fig.

| | <i>f</i> | <i>s.</i> | <i>d.</i> |
|---|---------------|-----------|-----------|
| By Balance, 1st Jan. | 200 | 2 | 1 |
| " Profit and Loss Account (current year's profit) : | 200 | 2 | 1 |
| " Dividends on Ordinary Shares | 900 | — | — |
| " Dividends on Deferred Shares | 500 | — | — |
| " Balance to Balance Sheet | 2,930 | 14 | 10 |
| | <u>£4,730</u> | 19 | — |

BALANCE SHEET AS AT 31ST DECEMBER, 19..

477

THE "WEEKLY BANNER," LTD.

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 19..

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|--|-------|----|----|--------|----|----|---|----|----|
| To Paper, Ink, etc. | 4,845 | 13 | | | | | | | |
| " Wages | 95 | 16 | 4 | | | | | | |
| " Add Amount owing. | | | | 2,960 | 13 | 8 | | | |
| Discounts Allowed | | | | 4,941 | 9 | 4 | | | |
| " Trade Expenses. | | | | 103 | 11 | 1 | | | |
| " Bad Debts | | | | 170 | 16 | 10 | | | |
| " Advertisements in other Papers | | | | 90 | 17 | 6 | | | |
| " Fuel, etc. | | | | 78 | 7 | 4 | | | |
| " Repairs | | | | 157 | 7 | 4 | | | |
| " Rent of Branches, Rates, and Taxes | | | | 208 | 16 | 5 | | | |
| " Correspondence Jves. | | | | 129 | 8 | 8 | | | |
| " Printing and Stationery | | | | 368 | 2 | 4 | | | |
| " Telephone. | 78 | 8 | 11 | 108 | 15 | 6 | | | |
| " Less Amount prepaid | 25 | — | — | | | | | | |
| Billposting and Carriage | | | | 53 | 8 | 11 | | | |
| " Insurance. | | | | 225 | 16 | 9 | | | |
| " Postage and Telegrams | | | | 48 | 10 | — | | | |
| " Travelling Expenses | | | | 187 | 12 | 2 | | | |
| " Bad Debt Reserve (amount provided). | | | | 195 | 16 | 10 | | | |
| " Reserve for Estimated Costs in Libel Action. | | | | 50 | — | — | | | |
| " Depreciation | | | | 150 | — | — | | | |
| " Plant, etc. (7½% of £9,000) | 675 | — | — | | | | | | |
| " Furniture (5% of £120) | 6 | — | — | | | | | | |
| " Plant, New (7½% of £400 for 6 mos.) | 15 | — | — | | | | | | |
| " Balance, c/d | | | | 696 | | | | | |
| | | | | 1,158 | 3 | 10 | | | |
| | | | | 12,078 | 19 | 6 | | | |
| | | | | £ | | | | | |
| To Manager's Commission (5% of £1,158/3/10) | | | | 57 | 18 | 2 | | | |
| " Less in Value of Consols | | | | 304 | — | 4 | | | |
| " Shares in "Yellow Press"—no value | | | | 2 | | | | | |
| " Balance, Nerr Profit | | | | 1,084 | 7 | 2 | | | |
| | | | | £1,448 | 5 | 8 | | | |

THE "WEEKLY BANNER," LTD.

BALANCE SHEET AS AT 31ST MARCH, 19..

| CAPITAL AND LIABILITIES. | | £ | | s. | d. | £ | | s. | d. | PROPERTY AND ASSETS. | | £ | | s. | d. | £ | | s. | d. |
|--|--|---------|--|----|----|---------|--|----|----|---|--|-------|--|----|----|---------|--|----|----|
| <i>Nominal Capital—</i> | | | | | | | | | | | | | | | | | | | |
| 4,680 Shares of £10 each . . . | | £46,800 | | — | | | | | | Freehold Property | | 9,400 | | — | | 4,000 | | — | |
| <i>Issued Capital—</i> | | | | | | | | | | Machinery and Plant (includ. Additions) | | 680 | | — | | 2,000 | | — | |
| 4,680 Shares of £10 each—£5 paid up . | | | | | | 23,300 | | — | | Less Depreciation . . . | | | | | | | | | |
| Reserve Fund Account . . . | | | | | | 400 | | — | | Copyright . . . | | 120 | | — | | 8,710 | | — | |
| Creditors . . . | | | | | | 850 | | 10 | | Office Furniture . . . | | 6 | | — | | 2,000 | | — | |
| Subscribers' Credit Balances . . . | | | | | | 10 | | 19 | | Less Depreciation . . . | | | | | | 114 | | — | |
| Prepaid Advertisements . . . | | | | | | 37 | | 9 | | Stocks— | | | | | | | | | |
| Wages Outstanding . . . | | | | | | 95 | | 16 | | Paper, Ink, etc. . . | | 324 | | 10 | | | | | |
| Manager's Commission . . . | | | | | | 57 | | 18 | | Fuel . . . | | 3 | | 10 | | | | | |
| Reserve for Cost of Libel Action . . . | | | | | | 150 | | — | | Agents' Balances . . . | | | | | | 328 | | — | |
| Revenue Surplus, 1st April . . . | | 1,530 | | 7 | | 1 | | — | | Subscribers' Balances . . . | | | | | | 570 | | 1 | |
| <i>Add Current Year's Net Profit . . .</i> | | 1,084 | | 7 | | 2 | | — | | Advertisers' Balances . . . | | 2,758 | | 12 | | 38 | | 4 | |
| | | | | | | 2,614 | | 14 | | Less Reserve for Libel Action . . . | | | | | | | | | |
| | | | | | | | | | | " Bad Debts Reserve . . . | | 325 | | 17 | | 2,432 | | 15 | |
| | | | | | | | | | | 21% Consols . . . | | | | | | 5,565 | | 3 | |
| | | | | | | | | | | Interest Due on Consols . . . | | 3,630 | | 8 | | 41 | | 11 | |
| | | | | | | | | | | Cash at Bank . . . | | 53 | | 5 | | 3,683 | | 13 | |
| | | | | | | | | | | " in hand . . . | | | | | | 25 | | — | |
| | | | | | | | | | | Telephone* Prepaid . . . | | | | | | £27,516 | | 18 | |
| | | | | | | £27,516 | | 18 | | | | | | | | | | 3 | |

Notes (1) The amount of Depreciation on Consols is arrived at as follows—

| | £ | s. | d. |
|-------------------------------|---|-------|----|
| £7,000 2½% Consols cost . . . | • | 5,869 | — |
| Present Value is 79½% . . . | • | 5,565 | — |
| (£7,000 × 79½ / 100) | • | | |
| Loss in Value . . . | • | £304 | — |

(2) Interest on Investments is always taken on the NOMINAL value—

| | £ | s. | d. |
|-----------------------------|---|-----|----|
| £7,000 @ 2½% . . . | • | 175 | — |
| Less Income Tax @ 1/2 . . . | • | 10 | 4 |
| Net Interest . . . | • | 164 | 15 |
| Less Amount received . . . | • | 123 | 11 |
| Amount due (3 mos.) . . . | • | £41 | 3 |

EXERCISE XV (D)—No. 1.

THE LOAMSHIRE MANUFACTURING CO., LTD.

Dr. MANUFACTURING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 19.. Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---------------------------------------|--------|----|----|----------|----|----|---------------------------------|--------|----------|
| To Stock, 1st July | | | | 18,927 | — | — | By Sales | 76,529 | — |
| " Purchases | 42,345 | — | — | | | | Less Returns Inward | 927 | — |
| " Less Returns Outward | 423 | — | — | | | | " Stock, 30th June | | 75,602 |
| " Carriage Inwards | | | | 41,922 | — | — | | | 21,342 |
| " Factory Wages (incl. £325 unpaid) | | | | 625 | — | — | | | |
| " Factory Heating, Lighting, etc. | | | | 13,568 | — | — | | | |
| " Factory Insurance (less £48 pro- | | | | 3,422 | — | — | | | |
| paid) | | | | 977 | — | — | | | |
| " Depreciation of Loose Tools | | | | 15 | — | — | | | |
| " Balance, gross Profit c/d | | | | 18,188 | — | — | | | |
| | | | | £ 96,944 | — | — | | | £ 96,944 |
| By Rates, Taxes, and Insurance | | | | | | | | | |
| (Office) less £16 prepaid | | | | 119 | — | — | By Manufacturing Account, GROSS | | |
| " Office Salaries and Directors' Fees | | | | | | | Profit b/d | | 18,188 |
| (incl. £127 owing) | | | | 6,548 | — | — | " Rent Sub-let (incl. Quarter | | 200 |
| Discount | | | | 982 | — | — | owing) | | 500 |
| " Carriage Outwards | | | | 1,216 | — | — | " Dividends on Investments | | |
| " Repairs to Premises | | | | 145 | — | — | " Bad Debts Reserve, 1st July | 250 | |
| " Heating, Lighting, etc. (Office) | | | | 626 | — | — | " Less Amount required for cur- | 216 | |
| " Depreciation of Plant and Machin- | | | | | | | rent year | | 34 |
| ery (10% of £19,580) | | | | 1,958 | — | — | | | |
| " Balance, NET Profit | | | | 7,328 | — | — | | | |
| | | | | £ 18,922 | — | — | | | £ 18,922 |

THE LOAMSHIRE MANUFACTURING CO., LTD.

BALANCE SHEET AS AT 30TH JUNE, 19..

| CAPITAL AND LIABILITIES | £ | s. | d. | £ | s. | d. |
|--|--------|----|----|--------|----|----|
| <i>Nominal Capital—</i> | | | | | | |
| 50,000 Ordinary Shares of £1 each | 50,000 | — | — | | | |
| 20,000 6% Preference Shares of £1 each | 20,000 | — | — | | | |
| | 70,000 | — | — | | | |
| <i>Issued Capital—</i> | | | | | | |
| 50,000 Ordinary Shares of £1 each, fully paid | | | | 50,000 | — | — |
| 20,000 6% Preference Shares of £1 each, fully called | 20,000 | — | — | | | |
| Less Calls in Arrear | 200 | — | — | 19,800 | | |
| | | | | 127 | — | — |
| Salaries Owning | | | | 325 | — | — |
| Wages Owning | | | | 6,728 | — | — |
| Sundry Creditors | | | | | | |
| <i>Profit and Loss Account—</i> | | | | | | |
| Balance, 1st July | 4,825 | — | — | | | |
| Add Current Year's Profit | 7,328 | — | — | 12,153 | | |
| | | | | | | |
| | | | | £ | | |
| | | | | 89,133 | — | — |

JOHN STEPHENS & CO., LTD.

| <i>Dr.</i> | APPROPRIATION ACCOUNT | | | | | | <i>Cr.</i> |
|--|-----------------------|----|----|------------------------------|--------|------|------------|
| | £ | s. | d. | £ | s. | d. | |
| To Interim Dividend paid 1st Oct. <i>(less Tax)</i> | | | | | | | |
| " Dividend for Final Quarter to 31st Dec. | | | | | | | |
| " Balance to Balance Sheet : | | | | | | | |
| | £ | s. | d. | | £ | s. | |
| | 1,073 | 8 | 9 | By Profit and Loss Account . | 3,048 | 18 5 | |
| | 375 | - | - | | | | |
| | 1,600 | 9 | 8 | | | | |
| | £3,048 | 18 | 5 | | £3,048 | 18 5 | |

EXERCISE XV (D)—No. 2 (contd.).

JOHN STEPHENS & CO., LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Dr.

Cr.

| | | | | | | | | | | |
|---|---|----|----|---|----|----|------------------------|---|----|----|
| To Interest | £ | s. | d. | £ | s. | d. | By Trading Account b/d | £ | s. | d. |
| " | | | | | | | | | | |

EXERCISE XV (D)—No. 2 (contd.).

JOHN STEPHENS & CO., LTD.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | PROPERTY AND ASSETS. | |
|---|----------|-----------------------------------|---------------|
| £ | s. d. | £ | s. d. |
| <i>Nominal Capital—</i> | | | |
| 30,000 5% Cumulative Preference Shares of £1 each | 30,000 — | Land and Buildings | 17,600 — |
| 50,000 Ordinary Shares of £1 each | 50,000 — | Less Depreciation | 440 — |
| | | Cottages | 28,896 14 |
| | | Plant and Machinery | 1,733 16 |
| | | Less Depreciation | — |
| | | Patents | 3,000 — |
| | | Less Depreciation | 250 — |
| | | Office Furniture | 412 10 |
| | | Less Depreciation | 30 18 |
| | | Goodwill | 10,526 5 |
| | | Less Amount written off | 1,052 12 |
| | | Stock | — |
| | | Sundry Debtors | 4,493 2 |
| | | Cash at Bank | 78 4 |
| | | " in hand | — |
| | | Formation Expenses | 2,397 18 |
| | | Less Amount written off | 599 9 |
| | | Suspense Account | — |
| | | | £ 79,319 10 5 |
| | | | £ 79,319 10 5 |

EXERCISE XV (D)—No. 3.

JOHN BOLTON & CO., LTD.

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

Dr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|--|--------|----|----|----------|----|----|--------------------------------|----------|----------|
| To Stock, 1st Jan. | 32,960 | — | — | 9,875 | — | — | By Sales | 61,842 | — |
| " Purchases | 3,421 | — | — | — | — | — | Less Returns Inwards | 1,482 | — |
| " Less Returns Outwards | — | — | — | — | — | — | " Stock, 31st Dec. | — | 60,360 |
| Wages | — | — | — | 29,539 | — | — | — | — | 11,840 |
| " Balance, Gross Profit c/d | — | — | — | 19,462 | — | — | — | — | — |
| | | | | 13,324 | — | — | — | — | — |
| | | | | £ 72,200 | — | — | By Trading Account | £ 72,200 | — |
| To Trade Charges | — | — | — | 982 | — | — | — | — | 13,324 |
| " Salaries | — | — | — | 1,291 | — | — | — | — | — |
| " Travelling Expenses | — | — | — | 871 | — | — | — | — | — |
| " Rates and Taxes | — | — | — | 321 | — | — | — | — | — |
| " Discount | — | — | — | 829 | — | — | — | — | — |
| " Bad Debts | — | — | — | 348 | — | — | — | — | — |
| " Fire Insurance | 195 | — | — | — | — | — | — | — | — |
| " Less Amount unexpired | 50 | — | — | — | — | — | — | — | — |
| Debiture Interest | — | — | — | 145 | — | — | — | — | — |
| " Bad Debts Reserve (5% of £20,140) | 1,007 | — | — | 450 | — | — | — | — | — |
| " Less Old Reserve | 940 | — | — | — | — | — | — | — | — |
| Depreciation— | — | — | — | 67 | — | — | — | — | — |
| Patents (15% of £1,200) | 180 | — | — | — | — | — | — | — | — |
| Machinery and Plant (10% of £17,800) | 1,780 | — | — | — | — | — | — | — | — |
| " Balance, Net Profit c/d | — | — | — | 1,960 | — | — | — | — | — |
| | | | | 6,060 | — | — | — | — | — |
| | | | | £ 13,324 | — | — | — | — | £ 13,324 |

Dr.

APPROPRIATION ACCOUNT

Cr.

| | £ | s. | d. | £ | s. | d. |
|--|---|----|----|---------|----|----|
| To Bonus to Departmental Managers (5% of £6,060) | — | — | — | 303 | — | — |
| " Ordinary Share Dividend, paid 14th Feb. | — | — | — | 1,875 | — | — |
| " Balance to Balance Sheet | — | — | — | 7,168 | — | — |
| | | | | £ 9,346 | — | — |
| By Balance, 1st Jan. | — | — | — | — | — | — |
| " Profit and Loss Account | — | — | — | — | — | — |
| | | | | £ 9,346 | — | — |

JOHN BOLTON & CO., LTD.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

486

EXERCISE XV (D)—No. 4.

THE YORKSHIRE TWEED CO., LTD.

TRADING ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 19..

Dr.

Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|-------------------------------|---|----|----|----------|----|----|--------------------|----|----|
| To Stock, 1st Jan.. | . | . | 6 | 3,519 | 4 | 6 | By Sales | . | . |
| Materials Consumed . | . | . | 7 | 18,469 | 15 | 7 | „ Stock, 31st Dec. | . | . |
| „ Dyeing and Finishing | . | . | 6 | 1,216 | 3 | 6 | | | |
| „ Carriage . | . | . | 10 | 533 | 1 | 10 | | | |
| „ Wages . | . | . | 9 | 8,437 | 16 | 9 | | | |
| „ Motive Power . | . | . | 8 | 691 | 7 | 8 | | | |
| „ Balance, Gross Profit c/d . | . | . | 2 | 2,939 | 4 | 2 | | | |
| | | | | £ 35,806 | 14 | — | £ 35,806 | 14 | — |

EXERCISE XV (D)—No. 4 (contd.).

THE YORKSHIRE TWEED CO., LTD.

Dr. PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|--|---|----|----|--------|----|----|---|----|----|
| To Mechanics' and Joiners' Wages | | | | 142 | 1 | 9 | | | |
| " Trade Expenses | | | | 195 | 12 | 4 | | | |
| Less Amount for Telephone | | | | 7 | 10 | - | | | |
| " Rates, Gas, and Insurance | | | | 203 | 9 | 6 | | | |
| Add Rates owing | | | | 10 | - | - | | | |
| Less Insurance unexpired | | | | 213 | 9 | 6 | | | |
| " Repairs | | | | 20 | - | - | | | |
| " Debenture Interest to 30th June | | | | 40 | - | - | | | |
| Add Amount due to 31st Dec. | | | | 40 | - | - | | | |
| " Commission | | | | | | | | | |
| " Bank Charges | | | | | | | | | |
| " Discounts Allowed | | | | | | | | | |
| " Discount Reserve on Debtors | | | | | | | | | |
| (3% of £6,000/9 less £200) | | | | | | | | | |
| " Bad Debts Reserve (amount provided £200) | | | | | | | | | |
| " Depreciation | | | | | | | | | |
| Cards, Bobbins, etc. (25% of £900) | | | | 225 | - | - | | | |
| Engines and Boilers, etc. (10% of £500) | | | | 50 | - | - | | | |
| Machinery (7½% of £4,000) | | | | 300 | - | - | | | |
| " Depreciation | | | | | | | | | |
| Cards, Bobbins, etc. (25% of £300 for ½ yr.) | | | | 37 | 10 | - | | | |
| Machinery (7½% of £200 for ½ yr.) | | | | 7 | 10 | - | | | |
| " Balance, Net Profit c/d | | | | | | | | | |
| | | | | £3,551 | 4 | 5 | | | |

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---|---|----|----|------|----|----|---|----|----|
| To Balance, 1st Jan. | | | | | | | | | |
| " Interim Dividend paid to 30th June | | | | 90 | - | - | | | |
| " Dividend provided to 31st Dec. | | | | 90 | - | - | | | |
| " Managing Director's Bonus (10% of £829/7/6) | | | | | | | | | |
| " Balance to Balance Sheet | | | | | | | | | |
| | | | | £829 | 7 | 6 | | | |

EXERCISE XV (D)—No. 4 (contd.).

THE YORKSHIRE TWEED CO., LTD.
BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | £ | | s. | | d. | | £ | | s. | | d. | |
|--|--|--------|--|----|--|----|--|-------|--|----|--|--------|--|
| <i>Nominal Capital—</i> | | | | | | | | | | | | | |
| 5,000 6% Cumulative Preference Shares of £1 each . . . | | 5,000 | | — | | — | | 4,000 | | — | | — | |
| 5,000 Ordinary Shares of £1 each . . . | | 5,000 | | — | | — | | 200 | | — | | — | |
| | | 10,000 | | — | | — | | 4,200 | | — | | — | |
| | | | | | | | | 307 | | 10 | | — | |
| <i>Issued Capital—</i> | | | | | | | | | | | | | |
| 3,000 6% Cumulative Preference Shares of £1 each, fully paid . . . | | 3,000 | | — | | — | | 500 | | — | | — | |
| 4,119 Ordinary Shares of £1 each, fully paid . . . | | 4,119 | | — | | — | | 50 | | — | | — | |
| | | | | | | | | 900 | | — | | — | |
| | | | | | | | | 300 | | — | | — | |
| | | 7,119 | | — | | — | | 1,200 | | — | | — | |
| 4% First Mortgage Debentures | | 2,000 | | — | | — | | 262 | | 10 | | — | |
| Mortgage Debenture Interest accrued | | 40 | | — | | — | | | | | | 937 | |
| Bank Overdraft . . . | | 988 | | 6 | | 5 | | | | | | 10 | |
| Bills Payable . . . | | 2,220 | | — | | — | | 6,000 | | — | | 19 | |
| Sundry Creditors . . . | | 4,810 | | 9 | | 10 | | | | | | 9 | |
| Less Discount Reserve . . . | | 240 | | 10 | | 6 | | 374 | | — | | — | |
| Preference Share Dividend accrued . . . | | 4,569 | | 19 | | 4 | | | | | | 5,626 | |
| Rates owing . . . | | 90 | | — | | — | | | | | | 32 | |
| Managing Director's Bonus . . . | | 10 | | — | | — | | 7 | | 10 | | 11 | |
| <i>Profit and Loss Account—</i> | | 82 | | 18 | | 9 | | 20 | | — | | — | |
| Balance available for distribution | | 545 | | 17 | | 7 | | | | | | 27 | |
| | | 17,666 | | 2 | | 1 | | | | | | 17,666 | |
| | | | | | | | | | | | | 2 | |
| | | | | | | | | | | | | 1 | |

EXERCISE XV (D)—No. 5.

THE OIL AND GAS MOTOR CO., LTD.

Dr. TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---|-----|----|----|----------|----|----|----------------------------------|----|----------|
| To Stock, 1st Jan. | | | | 9,000 | | | By Sales | | 40,000 |
| " Purchases | | | | 19,000 | | | " Stock at 31st Dec. | | 9,500 |
| " Wages (Manufacturing) | | | | 11,800 | | | " Loose Tools | | 2,300 |
| " Royalties | | | | 200 | | | | | |
| " Erecting and Fitting Cars | | | | 2,400 | | | | | |
| " Coal, Coke, Gas, and Water | | | | 450 | | | | | |
| " Loose Tools, 1st Jan. | | | | 2,500 | | | | | |
| " Balance, Gross Profit c/d | | | | 6,450 | | | | | |
| | | | | £ 51,800 | | | | | £ 51,800 |
| To Repairs, Renewal, and Maintnace. | | | | 800 | | | By Trading Account b/d | | 6,450 |
| " Printing, Advertising & Statnry. | | | | 250 | | | | | |
| " Travelling and Commission | | | | 1,400 | | | | | |
| " General Expenses | | | | 450 | | | | | |
| " Directors' Fees | | | | 100 | | | | | |
| " Interest on Debentures | | | | 900 | | | | | |
| " Bank Interest and Commission | | | | 70 | | | | | |
| " Legal and Accountancy Charges | | | | 150 | | | | | |
| " Rent, Rates, Taxes & Insurance | | | | 260 | | | | | |
| " Bad Debts Reserve, etc. | 630 | | | | | | | | |
| " Less Old Reserve | 200 | | | | | | | | |
| | | | | 430 | | | | | |
| Depreciation— | | | | | | | | | |
| Office Furniture (5% of £400) | 20 | | | | | | | | |
| Patents (10% of £1,000) | 100 | | | | | | | | |
| Patterns (10% of £3,300) | 330 | | | | | | | | |
| Machinery and Plant | 440 | | | | | | | | |
| (5% of £8,800) | | | | | | | | | |
| Land and Buildings | 150 | | | | | | | | |
| (3% of £5,000) | | | | | | | | | |
| " Balance, NET Profit | | | | 1,040 | | | | | |
| | | | | 600 | | | | | |
| | | | | £ 6,450 | | | | | £ 6,450 |

THE OIL AND GAS MOTOR CO., LTD.
BALANCE SHEET AS AT 31ST DECEMBER, 19..

491

EXERCISE XV (D)—No. 6.

Dr.

A & B's JOINT VENTURE ACCOUNT

Cr.

| Due Date. | Particulars. | Days. | Pro-ducts. | Amount. | Due Date. | Particulars. | Days. | Pro-ducts. | Amount. |
|-----------|-------------------------------------|-------|------------|----------|-----------|------------------|-------|------------|----------|
| 19.. 3 | To Dock Dues . | A | £ 1,780 | £ 10 | 19.. 1 | By Currents | | £ 69,732 | £ 468 |
| Jan. 30 | " Salmon . | A | 27,180 | 180 | Feb. 1 | (2½% of £12) | 149 | | |
| " 30 | " Currents . | B | 58,904 | 398 | Mar. 7 | " Salmon | 115 | 11,385 | 98 15 |
| Feb. 2 | (5% of £113/4) | | | | | (1¼% of £1/5/-) | | | |
| Apr. 2 | " Freight . | B | 445 | 5 | Apr. 21 | " Almonds . | 70 | 5,460 | 78 |
| " 6 | " Railway Dues . | B | 340 | 4 | May 1 | " Figs . | 60 | 5,700 | 95 |
| Mar. 17 | " Almonds . | A | | 200 | " 3 | " Salmon . | 58 | 1,740 | 30 |
| Apr. 11 | " Figs . | B | | 100 | " 15 | " Almonds . | 46 | 4,140 | 90 |
| June 30 | " Bal. of Products . | | 9,508 | | Mar. 12 | " Salmon . | | | 40 |
| | | | | | Apr. 21 | " Almonds . | | | 35 |
| " 30 | " Balance c/d . | | 98,157 | 38 14 4 | June 30 | " Int. (½% × ½%) | | 98,157 | 1 6 |
| | | | | £936 1 | | | | | £936 1 |
| " 30 | To A's Share of Profit on Venture . | | | 19 7 2 | " 30 | By Balance b/d | | | 38 14 4 |
| " 30 | " B's Share of Profit on Venture . | | | 19 7 2 | | | | | |
| | | | | £38 14 4 | | | | | £38 14 4 |

EXERCISE XV (D)—No. 6 (contd.).

Dr.

JOINT VENTURE IN A'S BOOKS

Cr.

| Due Date. | Particulars. | Days. | Pro-ducts. | Amount. | Due Date. | Particulars. | Days. | Pro-ducts. | Amount. |
|-----------|-------------------------------|-------|------------|-----------|-----------|-----------------------|-------|------------|-----------|
| 19.. 3 | To Dock Dues | | | | 19.. 7 | By Salmon | | | |
| Jan. 30 | " Salmon | 178 | £ 1,780 | £ 10 | Mar. 21 | " Almonds | 115 | £ 11,385 | £ 98 15 |
| Mar. 17 | " Almonds | 151 | 27,180 | 180 | Apr. 21 | " Salmon | 70 | 5,460 | 78 |
| June 30 | " Balance of Interest | | | 200 | May 3 | " Almonds | 58 | 1,740 | 30 |
| " 30 | " Share of Profit on Venture. | | | 17 1 | " 15 | " Salmon | 46 | 4,140 | 90 |
| | | | | 19 | Mar. 12 | " Almonds | | | 40 |
| | | | | 7 2 | Apr. 21 | " Balance of Products | | 6,235 | 35 |
| | | | | | June 30 | " Balance due from B | | | 38 |
| | | | | | " 30 | | | | 9 3 |
| | | | | £ 410 4 3 | | | | £ 28,960 | £ 410 4 3 |

EXERCISE XV (D)—No. 6 (contd.).

Dr.

JOINT VENTURE IN B'S BOOKS

Cr.

| Due Date. | Particulars. | Days. | Pro-ducts. | Amount. | Due Date. | Particulars. | Days. | Pro-ducts. | Amount. |
|-----------|-----------------------------------|-------|------------|-----------|-----------|-----------------------------|-------|------------|-----------|
| 19.. 2 | To Currents . . . | 148 | £ 58,904 | £ 398 | 19.. 1 | By Currents . . . | 149 | £ 69,732 | £ 468 |
| Feb. 22 | " Freight . . . | 89 | 445 | 5 | Feb. 8 | " Figs . . . | 60 | 5,700 | 95 |
| Apr. 6 | " Railway Dues . . . | 85 | 340 | 4 | May 1 | " Balance of Interest . . . | | | 2 |
| " 1 | " Figs . . . | | | 100 | June 30 | | | | |
| " 30 | " Balance of Products . . . | | 15,743 | | | | | | |
| " 30 | " Share of Profit on Venture. . . | | | 19 7 2 | | | | | |
| " 30 | " Balance Due to A . . . | | | 38 9 3 | | | | | |
| | | | | £ 565 3 1 | | | | | |
| | | | £ 75,432 | | | | | £ 75,432 | £ 565 3 1 |

EXERCISE XV (D)—No. 7.

The manufacturer's LEDGER should be divided into four main divisions, i.e.—

- | | |
|-----------------------------|--------------|
| (1) Purchases, or CREDITORS | (3) General. |
| (2) Sales, or DEBTORS | (4) Private. |

¶ In order to separately agree Personal Accounts it would be necessary to introduce Adjustment Accounts for each of the Personal Ledgers

It will greatly facilitate the compilation of the Adjustment Accounts if the subsidiary books are appropriately analysed, as is the Bank Cash Book illustrated on pages 290 and 291 of *Advanced Accounts*.

EXERCISE XV (D)—No. 8

- (1) $\frac{\text{£ } 333\cdot3}{\text{£ } 1333\cdot3} \times \frac{100}{1}$ gives 25% Gross Profit.
- (2) $\frac{\text{£ } 195\cdot825}{\text{£ } 783\cdot300} \times \frac{100}{1}$ gives 25% Gross Profit.

EXERCISE XV (D)—No. 9.

SYSTEM OF BOOK-KEEPING FOR MANUFACTURER

The manufacturer would require the books enumerated below—

- | | |
|------------------------------|--------------------------------|
| (a) Purchases | (g) Petty Cash Book (analysis) |
| (b) Sales | (h) Bank Cash Book. |
| (c) Purchases Ledger. | (i) Bills Payable Book. |
| (d) Sales Ledger | (j) General Ledger. |
| (e) Wages Book. | (k) Journal. |
| (f) Expenses Book (analysis) | (l) Bills Receivable |

The manufacturer must exercise sedulous care that the posting from the subsidiary books shall conform to the double entry principle of a DEBIT entry being offset by a CREDIT entry for equivalent values.

It would be necessary when indorsing a bill of exchange to make a Journal entry as follows—

| | | | | | |
|---------------------|---|---|---|---|-----|
| Customer | . | . | . | . | Dr |
| To Bills Receivable | . | . | . | . | Cr. |

EXERCISE XV (D)—No 10.

Dr. INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| EXPENDITURE. | | INCOME. | |
|--|-----------|--|-----------|
| £ | s. d. | £ | s. d. |
| To Expenses (including Rent for year) | 900 | By Entrance Fees | 73 10 |
| " Renewals | 91 3 | " Subscriptions | 1,050 |
| " Interest | 20 | " Subscriptions Due | 21 |
| " Treasurer's Fee | 20 | " Gain on Entrance Fees, etc. | 1 |
| " Loss on Subscriptions | 8 | (£10/10/- received for £9/9/) | |
| (£12/12/- accepted as £21) | | " Green Fees | 120 |
| Capital Expenditure W/o | 250 | " Locker Rents | 35 |
| " Balance, Surplus of Income over Expenditure. | 71 | " Gain on Liabilities (£80 estimated at £70) | 10 |
| | | " Profit on Sales of Refreshments, etc. | 50 |
| | £1,360 11 | | £1,360 11 |

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | | ASSETS. | |
|-------------------------------|-----------|--------------------------------|-----------|
| £ | s. d. | £ | s. d. |
| Rent Due | 100 | Cash | 124 18 |
| Fees Paid in Advance | 52 10 | Stock | 150 |
| Loan Account | 520 | Subscriptions Due from Members | 12 12 |
| Capital Account— | | Capital Expenditure, 1st Jan. | 1,000 |
| Balance, 1st Jan. | 494 | Add Current Year's Expenditure | 200 |
| Add Surplus from Current Year | 71 | | 1,200 |
| | | Less Amount written off | 250 |
| | | | 950 |
| | £1,237 10 | | £1,237 10 |

EXERCISE XV (D)—No. 11

Dr

REALIZATION ACCOUNT

Cr.

| Dr | 19.. | £ | s. | d. | 19.. | £ | s. | d. | £ | s. | d. |
|--------------------|------|----------|----|----|------|----------------------------|----|----|-------|----|--------|
| To Sundry Assets . | | 16,000 | — | — | | By A, Freehold Property . | | | | | 10,000 |
| " Cash (Expenses) | | 470 | — | — | | " B (Stock, 90%) . | | | | | 900 |
| | | | | | | " Cash . | | | | | 2,580 |
| | | | | | | " (Sundry Debtors, 86%) . | | | | | |
| | | | | | | " Balance— | | | | | |
| | | | | | | Loss on Realization | | | 2,242 | 10 | — |
| | | | | | | A's Share, $\frac{3}{4}$. | | | 747 | 10 | — |
| | | | | | | B's Share, $\frac{1}{4}$. | | | | | |
| | | £ 16,470 | — | — | | | | | £ | | 16,470 |

CASH ACCOUNT

Cr.

| Dr | 19.. | £ | s. | d. | 19.. | £ | s. | d. | £ | s. | d. |
|-------------------------|------|---------|----|----|------|--------------------------|----|----|---|----|-------|
| To Balance . | | 1,000 | — | — | | By Realization Account . | | | | | 470 |
| " Realization . | | 2,580 | — | — | | " Sundry Creditors . | | | | | 1,800 |
| " A's Capital Account . | | 342 | 10 | — | | " B's Capital Account . | | | | | 1,652 |
| | | £ 3,922 | 10 | — | | | | | £ | | 3,922 |

EXERCISE XV (D)—No 11 (contd.)

| A's CAPITAL ACCOUNT | | | | Cr. | | | |
|---------------------|--|---------|-------|------|--|---------|-------|
| Dr. | | | | | | | |
| 19.. | To Freehold . " Share of Loss on " Realization . | £ | s. d. | 19.. | By Balance . " Share of Reserve " Loan Account . " Cash . | £ | s. d. |
| | | 10,000 | - - | | | 9,000 | - - |
| | | 2,242 | 10 - | | | 2,000 | - - |
| | | £12,242 | 10 - | | | 342 | 10 - |
| | | | | | | £12,242 | 10 - |

| B's CAPITAL ACCOUNT | | | | Cr. | | | |
|---------------------|---|--------|-------|------|------------------------------------|--------|-------|
| Dr. | | | | | | | |
| 19.. | To Stock . " Share of Loss on " Realization . " Cash . | £ | s. d. | 19.. | By Balance . " Share of Reserve | £ | s. d. |
| | | 900 | - - | | | 3,000 | - - |
| | | 747 | 10 - | | | 300 | - - |
| | | 1,652 | 10 - | | | | - - |
| | | £3,300 | - - | | | £3,300 | - - |

EXERCISE XV (D)—No. 12.

A TRADING ACCOUNT deals with purchasing and manufacturing expenses.
A PROFIT AND LOSS ACCOUNT deals with selling distribution, and administration expenses.

POSITION OF ITEMS IN ACCOUNTS

| TRADING | | PROFIT AND LOSS | |
|--|------------------------|---|-----------------|
| Purchases | Returns | Depreciation | Commission |
| Carriage and Freight | Packages | Debiture Interest | Advertising |
| Wages | Fuel | Allowances | Discounts |
| Stocks on hand | Sales (being Turnover) | Bad Debts | Directors' Fees |
| All deal with expenses of manufacture, or are directly related to Trading. | | All are expenses of selling, distribution, or administration. | |

EXERCISE XV (D)—No. 13 (contd.).

THE SPEEDY MOTOR CAB CO., LTD.
BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | £ | | s. | d. | £ | s. | d. | PROPERTY AND ASSETS. | | £ | s. | d. | £ | s. | d. |
|--|--|--------|--|----|----|----------|----|----|-------------------------------|--|--------|----|----|----------|----|----|
| <i>Nominal Capital—</i> | | 10,000 | | — | — | 10,000 | — | — | Plant and Machinery . . . | | 1,451 | 9 | — | 1,451 | 9 | — |
| 20,000 6% Preference Shares of £1 each | | 20,000 | | — | — | 20,000 | — | — | Less Depreciation . . . | | 145 | 2 | 11 | 1,306 | 6 | 1 |
| £ 30,000 | | — | | — | — | — | — | — | Fixtures and Fittings . . | | 1,126 | 17 | — | 1,126 | 17 | — |
| | | — | | — | — | — | — | — | Less Depreciation . . . | | 112 | 13 | 8 | 1,014 | 3 | 4 |
| <i>Issued Capital—</i> | | — | | — | — | — | — | — | Taxicabs | | 28,000 | — | — | 28,000 | — | — |
| 10,000 Ordinary Shares of £1 each paid up | | — | | — | — | 10,000 | — | — | Less Depreciation . . . | | 1,400 | — | — | 26,600 | — | — |
| 18,267 6% Preference Shares of £1 each, fully called . . . | | 18,267 | | — | — | — | — | — | Stock | | — | — | — | 1,486 | 10 | 9 |
| Less Calls in Arrears . . . | | 8 | | 10 | — | — | — | — | Sundry Debtors | | — | — | — | 89 | 17 | 3 |
| | | — | | — | — | — | — | — | Cab Earnings due from Drivers | | — | — | — | 171 | 8 | 3 |
| Bank Overdraft | | — | | — | — | 18,258 | 10 | — | Cash in hand | | — | — | — | 28 | 9 | 3 |
| Sundry Creditors | | 500 | | — | — | 603 | 5 | 4 | Preliminary Expenses . . | | 458 | 9 | 6 | — | — | — |
| Reserve for Renewals . . . | | 500 | | — | — | 710 | 2 | — | Less Amount written off . | | 152 | 16 | 6 | — | — | — |
| Add Transfer from Profit and Loss | | — | | — | — | 1,000 | — | — | Insurance Paid in Advance . | | — | — | — | 305 | 13 | — |
| Rates Outstanding | | — | | — | — | 18 | 7 | 6 | | | — | — | — | 170 | 1 | 6 |
| Profit and Loss Account— | | — | | — | — | — | — | — | | | — | — | — | — | — | — |
| Current Year's Profit . . . | | 1,330 | | 8 | — | — | — | — | | | — | — | — | — | — | — |
| Less Balance (Loss), 1st Jan. . | | 748 | | 3 | 5 | — | — | — | | | — | — | — | — | — | — |
| | | — | | — | — | 582 | 4 | 7 | | | — | — | — | — | — | — |
| | | — | | — | — | £ 31,172 | 9 | 5 | | | — | — | — | £ 31,172 | 9 | 5 |

EXERCISE XV (D)—No. 14.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|---|----------|----|----|----------|----|----|
| | Business Purchase Account | 40,000 | — | — | | | |
| | To Vendors | | | | 40,000 | — | — |
| | For purchase price of business. | | | | | | |
| | Vendor's Account | 40,000 | — | — | | | |
| | To Share Capital Account | | | | 40,000 | — | — |
| | For issue of 4,000 shares of £10 each as fully paid to vendors as payment of purchase price of business. | | | | | | |
| | Property Account | 20,000 | — | — | | | |
| | To Share Capital | | | | 20,000 | — | — |
| | For issue of 2,000 shares of £10, as fully paid, to sundry persons for purchases of property. | | | | | | |
| | Sundry Shareholders/or Calls A/c | 40,000 | — | — | | | |
| | To Share Capital | | | | 40,000 | — | — |
| | For £5 called up on 8,000 shares. | | | | | | |
| | Share Capital Account | 3,750 | — | — | | | |
| | To Forfeited Shares Account | | | | 2,000 | — | — |
| | " Calls Account | | | | 1,750 | — | — |
| | For 750 shares of £10 each, £5 having been called, forfeited for non-payment of sums due thereon, as per Resolution No..... | | | | | | |
| | | £143,750 | — | — | £143,750 | — | — |

CASH BOOK
(DEBIT SIDE)

| | | Details. | | | Bank. | | |
|------|--------------------------------|----------|----|----|---------|----|----|
| 19.. | | £ | s. | d. | £ | s. | d. |
| | To Calls Account as under— | | | | | | |
| | 6,000 @ £5 per share | 30,000 | — | — | | | |
| | 1,250 @ £4 per share | 5,000 | — | — | | | |
| | 500 @ £3 per share | 1,500 | — | — | | | |
| | 250 @ £2 per share | 500 | — | — | | | |
| | | | | | 37,000 | — | — |
| | | | | | £37,000 | — | — |

EXERCISE XV (D)—No. 15.

JOURNAL OF THE RICHMOND CO., LTD.

| 19.. | | £ | s. | d. | £ | s. | d. |
|---------|-------------------------------------|----------|----|----|----------|----|----|
| | Application Account | 25,000 | — | — | | | |
| | Allotment Account | 25,000 | — | — | | | |
| | First Call Account | 25,000 | — | — | | | |
| | Final Call Account | 25,000 | — | — | | | |
| | To Share Capital Account | | | | 100,000 | — | — |
| | £1 per share on 100,000 shares | | | | | | |
| | fully called by four equal instal- | | | | | | |
| | ments of 5/- each. | | | | | | |
| Jan. .. | Bank Account | 99,750 | — | — | | | |
| | To Application Account | | | | 25,000 | — | — |
| | „ Allotment Account | | | | 25,000 | — | — |
| | „ First Call Account | | | | 25,000 | — | — |
| | „ Final Call Account | | | | 24,750 | — | — |
| | Sums received from shareholders. | | | | | | |
| Feb. 12 | Share Capital Account | 1,000 | — | — | | | |
| | To Forfeited Shares Account | | | | 750 | — | — |
| | „ Final Call Account | | | | 250 | — | — |
| | 1,000 shares of £1 each forfeited, | | | | | | |
| | for non-payment of Final Call, | | | | | | |
| | as per Resolution No..... | | | | | | |
| May 1 | Capt. Hayward | 500 | — | — | | | |
| | Forfeited Shares Account | 500 | — | — | | | |
| | To Share Capital Account | | | | 1,000 | — | — |
| | Re-issue of 1,000 shares of £1 each | | | | | | |
| | at par, in consideration of £500, | | | | | | |
| | as per Resolution No..... | | | | | | |
| | Bank Account | 500 | — | — | | | |
| | To Capt. Hayward | | | | 500 | — | — |
| | Sum received on re-issue of | | | | | | |
| | forfeited shares. | | | | | | |
| | | £202,250 | — | — | £202,250 | — | — |

EXERCISE XV (D)—No. 17.

THE GOLDEN HILL CO., LTD.

PROFIT AND LOSS APPROPRIATION ACCOUNT,
1ST FEBRUARY, 19..

| <div> <div>Dr.</div> <div> <div>PROFIT AND LOSS APPROPRIATION ACCOUNT,</div> <div>1ST FEBRUARY, 19..</div> </div> <div>Cr.</div> </div> | | | | | | | | | | | |
|---|---|---|----------|----|----|----------------------------|---|---|----------|----|----|
| | | | £ | s. | d. | | | | £ | s. | d. |
| To Reserve Fund | . | . | 3,600 | — | — | By Profit and Loss Account | . | . | 18,000 | — | — |
| " Preference Share Dividend | . | . | 5,000 | — | — | | | | | | |
| " Ordinary Share Dividend | . | . | 7,500 | — | — | | | | | | |
| " Balance c/d | . | . | 1,900 | — | — | | | | | | |
| | | | £ 18,000 | — | — | | | | £ 18,000 | — | — |
| | | | | | | | | | | | |

DIVIDEND ACCOUNT (1ST FEBRUARY, 19..)

| | £ | s. | d. | | £ | s. | d. |
|--------------------------------------|----------|----|----|--|----------|----|----|
| To Preference Shareholders | 3,750 | — | — | By Profit and Loss Appropriation Account | 12,500 | — | — |
| „ Ordinary Shareholders | 7,500 | — | — | | | | |
| „ Income Tax | 1,250 | — | — | | | | |
| | £ 12,500 | — | — | | £ 12,500 | — | — |

INCOME TAX ACCOUNT

| | | | | | | | | |
|--|--|--|--|--------|---------------------|-------|----|----|
| | | | | 19.. | | | | |
| | | | | Feb. 1 | By Dividend Account | £ | s. | d. |
| | | | | | | 1,250 | - | - |

RESERVE FUND ACCOUNT

| | | | | | | | | |
|--|--|--|--|--------|---|-------|----|----|
| | | | | 19.. | | £ | s. | d. |
| | | | | Feb. 1 | By Profit and Loss Ap- propriation A/c . | 3,600 | - | - |

EXERCISE XV (D)—No. 18.

Profits prior to incorporation may be ascertained by—

- (a) Stock-taking; or
(b) On the basis of the First Year's Trading.

When such profit has been ascertained the portion to capitalize (being profit prior to incorporation) is calculated according to what fraction the "time" or "turnover" up to date of incorporation is of the full year or total turnover of the year, as the case may be.

The £8,000 profit will be apportioned as follows—

- (a) *On Basis of Time.*

As the period to 30th April is 4 months, and the period to 30th June is 6 months, the portion of profit to capitalize will be four-sixths of £8,000 = £5,333 6s. 8d.

- (b) *On Basis of Turnover.*

As one-half of the turnover was received up to the date of incorporation, then one-half of £8,000 = £4,000 will be capitalized.

EXERCISE XV (D)—No. 19.

MESSRS. BROWNSON & CO., LTD.

Dr. TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 19.. Cr.

| Dr. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---|---|----|----|--------|----|----|---|----|----|
| To Stock, 1st April | . | . | . | | | | | | |
| " Purchases | . | . | . | 2,056 | — | — | | | |
| " Carriage | . | . | . | 1,525 | — | — | | | |
| " Wages | . | . | . | 250 | — | — | | | |
| " Add Wages (unpaid) | . | . | . | | | | | | |
| | | | | 5,802 | — | — | | | |
| | | | | 50 | — | — | | | |
| Balance, Gross Profit c/d | . | . | . | | | | | | |
| | | | | 5,852 | — | — | | | |
| | | | | 4,341 | — | — | | | |
| | | | | 14,024 | — | — | | | |
| To Bad Debts | . | . | . | 220 | — | — | | | |
| " Discounts | . | . | . | 126 | — | — | | | |
| " Salaries | . | . | . | 1,200 | — | — | | | |
| " Directors' Fees | . | . | . | 200 | — | — | | | |
| " Travelling Expenses | . | . | . | 607 | — | — | | | |
| " Rates, etc. (£½ yr. to 30th Sept. last) | . | . | . | | | | | | |
| " Add Rates due | . | . | . | 50 | — | — | | | |
| | | | | 50 | — | — | | | |
| Interest on Bank Overdraft | . | . | . | 100 | — | — | | | |
| " Bad Debts Res. (5% of £3,172) | . | . | . | 36 | — | — | | | |
| " Less Old Reserve | . | . | . | | | | | | |
| | | | | 38 | 12 | — | | | |
| Depreciation of Plant | . | . | . | 60 | — | — | | | |
| (amount provided) | . | . | . | | | | | | |
| Preliminary Expenses | . | . | . | 100 | — | — | | | |
| (amount written off) | . | . | . | | | | | | |
| Balance, Net Profit c/d | . | . | . | 1,653 | 8 | — | | | |
| | | | | 14,341 | — | — | | | |
| | | | | 14,024 | — | — | | | |
| By Sales | . | . | . | | | | | | |
| " Stock, 31st March | . | . | . | | | | | | |
| | | | | 11,568 | — | — | | | |
| | | | | 2,456 | — | — | | | |
| | | | | 14,024 | — | — | | | |
| By Trading Account b/d | . | . | . | 4,341 | — | — | | | |
| | | | | 14,341 | — | — | | | |

Dr. INCOME AND EXPENDITURE ACCOUNT OF A CHARITABLE SOCIETY
FOR THE YEAR ENDED 31st DECEMBER, 19 —

| | <i>f.</i> | <i>s.</i> | <i>d.</i> |
|--|---------------|-----------|-----------|
| To Wages | 1,862 | — | — |
| „ Rates, Heat, and Light | 265 | — | — |
| „ Committee Expenses | 10 | — | — |
| „ Secretary's Expenses | 47 | — | — |
| „ Depreciation of Furnishing | 27 | — | — |
| „ Excess of Income over Expenditure for the Year | 184 | — | — |
| | <u>£2,335</u> | — | — |

BALANCE SHEET OF A CHARTABLE SOCIETY
AS AT 31ST DECEMBER, 19 .

| LIABILITIES | | <i>f.</i> | <i>s.</i> | <i>d.</i> | <i>f.</i> | <i>s.</i> | <i>d.</i> |
|---|---|-----------|-----------|-----------|---------------|-----------|-----------|
| Secretary's expenses owing | . | 90 | - | - | - | - | - |
| Balance due on Building Contract | . | 120 | - | - | - | - | - |
| Subscriptions paid in advance | . | - | - | - | 140 | - | - |
| Building Fund Contributions | . | - | - | - | 10 | - | - |
| Accumulated Fund at 1st January, 19.. . . . | . | 983 | - | - | 750 | - | - |
| Add Surplus of Income over Expenditure for the Year | . | 184 | - | - | 1,167 | - | - |
| | | | | | <u>£2,067</u> | | |

EXERCISE XV (D)—No. 22.

Dr.

MACHINERY ACCOUNT

Cr.

| | | £ | s. | d. | | |
|----------------|--------------------------------|-------|----|----|--|--|
| 1935 Jan. 1 | To Cost of Machinery | 2,000 | — | — | | |

Dr.

POLICY ACCOUNT

Cr.

| | | £ | s. | d. | | | £ | s. | d. |
|----------------|--|-----|----|----|-----------------|--|-----|----|----|
| 1935 Jan. 1 | To Bank—Premium | | | | 1935 Dec. 31 | By Machinery Redemption Account " Balance, carried down | 150 | — | — |
| 1936 Jan. 1 | To Balance, brought down " Bank—Premium | 50 | — | — | 1936 Dec. 31 | By Machinery Redemption Account " Balance, carried down | 70 | — | — |
| 1937 Jan. 1 | To Balance, brought down " Bank—Premium | 180 | — | — | 1937 Dec. 31 | By Machinery Redemption Account " Balance, carried down | 180 | — | — |
| 1938 Jan. 1 | To Balance, brought down | 320 | — | — | | | 60 | — | — |
| | | | | | | | 320 | — | — |

Dr.

MACHINERY REDEMPTION ACCOUNT

Cr.

| | | £ | s. | d. | | | £ | s. | d. |
|-----------------|---|-----|----|----|-----------------|--------------------------------------|-----|----|----|
| 1935 Dec. 31 | To Policy Account to reduce it to surrender value | 150 | — | — | 1935 Dec. 31 | By Profit and Loss Account | 200 | — | — |
| | " Balance, carried down | 50 | — | — | | | | | |
| 1936 Dec. 31 | To Policy Account to reduce it to surrender value | 70 | — | — | 1936 Jan. 1 | By Balance, brought down | 50 | — | — |
| | " Balance, carried down | 180 | — | — | 1936 Dec. 31 | " Profit and Loss Account | 200 | — | — |
| 1937 Dec. 31 | To Policy Account to reduce it to surrender value | 60 | — | — | 1937 Jan. 1 | By Balance, brought down | 180 | — | — |
| | " Balance, carried down | 320 | — | — | 1937 Dec. 31 | " Profit and Loss Account | 200 | — | — |
| | | | | | 1938 Jan. 1 | By Balance, brought down | 320 | — | — |

EXERCISE XV (D)—No. 23.

| AVERAGE DUE DATE | | | | Products. | |
|------------------|--------------------------------|---|---|-----------|---------|
| £ | | | | £ | £ |
| 400 | due 30th June | . | . | . | |
| 440 | „ 73 days before 30th June | : | : | : | 32,120 |
| 250 | „ 37 „ „ | . | . | . | 9,250 |
| | | | | | <hr/> |
| 700 | „ 18 „ beyond „ | . | . | . | 41,370 |
| | | | | | <hr/> |
| £1,790 | (28,770 ÷ 1,790 gives 16 days) | | | | £28,770 |
| | | | | | <hr/> |

Average due date = 30th June - 16 days = 14th June.

Amount due to be paid, £1,790.

EXERCISE XV (D)—No. 24.

(a) See under "Partnership Deed," page 379 of *Advanced Accounts*.

See under "Goodwill," pages 383 to 386 (inclusive) of *Advanced Accounts*.

(b) Goodwill is an "intangible" asset and rarely the "fictitious" asset it is so often labelled. Its value consists in the "profit" earning capacity represented by "family" trade taken over, i.e. the customers on the books of the business when purchased. Goodwill is also vested in "trade marks," "trade names," and "local" conditions favourable to the business that has changed hands. In fact, Goodwill cannot easily be defined as any one particular "advantage" yielded by the business purchased, but its value is determinable, and, once created, is hard to contest.

EXERCISE XV (D)—No. 25.

GENERAL LEDGER ADJUSTMENT ACCOUNT (SALES LEDGER)

Dr.

Cr.

| 19.. | £ | s. | d. | 19.. | £ | s. | d. |
|---------|--|--------|----|---------|---|--------|----|
| Mar. 31 | To Returns Inwards | 474 | 8 | 7 | By Balances of Debtors' Accounts | 19,846 | 10 |
| " 31 | " Discounts Allowed | 598 | 15 | 8 | " Sales to Debtors | 18,755 | 11 |
| " 31 | " Cash | 12,974 | 3 | 10 | " Bills Receivable (dishd. acceptances) | 326 | 17 |
| " 31 | " Bills Receivable | 4,651 | 6 | 9 | " Petty Cash (items charged) | 26 | 13 |
| " 31 | " Bought Ledger (amounts transfer'd) | 156 | 4 | 11 | | | |
| " 31 | " Balance c/d | 20,100 | 12 | 11 | | | |
| | £ 38,955 | 12 | 8 | | £ 38,955 | 12 | 8 |
| | | | | Mar. 31 | By Balance b/d | 20,100 | 12 |
| | | | | | | | 11 |

512

SALES LEDGER ADJUSTMENT ACCOUNT (GENERAL LEDGER)

Dr.

Cr.

| 19.. | £ | s. | d. | 19.. | £ | s. | d. |
|---------|---|--------|----|------|---|--------|----|
| Mar. 1 | To Balances of Debtors' Accounts | 19,846 | 10 | 5 | By Returns Inwards | 474 | 8 |
| " 31 | " Sales to Debtors | 18,755 | 11 | 6 | " Discounts Allowed | 598 | 15 |
| " 31 | " Bills Receivable (dishd. acceptances) | 326 | 17 | 5 | " Cash | 12,974 | 3 |
| " 31 | " Petty Cash (items charged) | 26 | 13 | 4 | " Bills Receivable | 4,651 | 6 |
| | | | | | " Bought Ledger (amts. transferred) | 156 | 4 |
| | | | | | " Balance c/d | 20,100 | 12 |
| | £ 38,955 | 12 | 8 | | £ 38,955 | 12 | 8 |
| Mar. 31 | To Balance b/d | 20,100 | 12 | 11 | | | |

EXERCISE XV (D)—No. 26.

THE SIMPLEX MANUFACTURING CO.

Dr. TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | | | | | | | |
|--|--------|-------|--------|-------|------------------------------|--------|-------|
| To Stock, 1st Jan. | £ | s. d. | £ | s. d. | By Sales | £ | s. d. |
| " Purchases | 22,753 | 14 8 | 5,274 | 16 10 | " " Stock, 31st Dec. | 38,350 | 2 6 |
| " Less Transfer to Plant, etc. | 75 | — | 22,678 | 14 8 | | 6,378 | 12 6 |
| " Productive Wages | 7,642 | 12 9 | 7,527 | 12 9 | | | |
| " Less Transfer to Plant, etc. | 115 | — | 457 | 16 9 | | | |
| " Carriage and Freight | — | — | 522 | 19 7 | | | |
| " Coal, Gas, and Water | — | — | 8,266 | 14 5 | | | |
| " Balance, Gross Profit c/d | — | — | 44,728 | 15 — | | | |
| | | | £ | | | | |
| To Wages (non-productive) | — | — | 1,013 | 10 6 | By Trading Account | 44,728 | 15 — |
| " Discounts Allowed | — | — | 1,975 | 14 6 | | | |
| " Sundry Trade Expenses | — | — | 282 | 12 8 | | | |
| " Ground Rent, Rates, and Taxes | — | — | 472 | 16 9 | | | |
| " Coal, Gas, and Water | — | — | 89 | 17 1 | | | |
| " Bank Charges | — | — | 54 | 13 9 | | | |
| " Repairs to Plant | — | — | 63 | 18 10 | | | |
| " Bad Debts Reserve (5% of £9,872/12/6) | — | — | 493 | 12 7 | | | |
| " Less Old Reserve | — | — | 152 | 12 9 | | | |
| | | | £ | | | | |
| To Depreciation— | — | — | 340 | 19 10 | | | |
| " Plant, etc. (1st Jan.), 5% of £3,012/11/8 | — | — | 300 | 12 7 | | | |
| " Plant, etc. (additions), 25% of £442/17/4 | — | — | 110 | 14 4 | | | |
| " Furniture and Fittings (5% of £873/14/6) | — | — | 43 | 13 9 | | | |
| | | | — | — | | | |
| To Leasehold Redemption Fund— | — | — | — | — | | | |
| " Annual Instalment | — | — | 37 | 10 — | | | |
| " Interest at 2½% on Balance (1st Jan.), i.e. £675 | — | — | 16 | 17 6 | | | |
| | | | — | — | | | |
| To Interest on Capital Accounts— | — | — | — | — | | | |
| " G. Sykes (5% of £8,500) | — | — | 425 | — | | | |
| " R. Simpson (5% of £3,444/1/-) | — | — | 322 | 4 — | | | |
| | | | — | — | | | |
| " Balance, Net Profit c/d | — | — | 747 | 4 — | | | |
| | | | £ | | | | |
| | | | 3,878 | 7 2 | | | |
| | | | £ | | | | |
| | | | 9,429 | 3 3 | | | |

EXERCISE XV (D)—No. 26 (contd.).

THE SIMPLEX MANUFACTURING CO.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---------------------------------|--------|----|----|--------|----|----|---------------------------------------|----|----|
| LIABILITIES. | | | | | | | | | |
| Bills Payable | | | | 4,573 | 19 | 10 | Cash in hand | | |
| Sundry Creditors | | | | 5,003 | 16 | 2 | Cash at Bank | | |
| Leasehold Redemption Account | | | | | | | Bills Receivable | | |
| Add Annual Interest | 675 | - | 6 | | | | Sundry Debtors | | |
| " " Annual Instalment | 37 | 10 | - | | | | Less Bad Debts Reserve | | |
| J. Smith's Bonus | | | | 729 | 7 | 6 | Stock | | |
| Capital Accounts— | | | | 70 | 13 | 6 | Furniture and Fittings | | |
| G. Sykes : | | | | | | | Less Depreciation | | |
| Balance, 1st Jan. | 8,500 | - | - | | | | Plant and Machinery | | |
| Add Interest | 423 | - | - | | | | Add Additions (during year) | | |
| " Share of Profit | 1,903 | 16 | 10 | | | | Transfer from Purchases | | |
| Less Drawings | 10,828 | 16 | 10 | | | | Transfer from Wages | | |
| R. Simpson : | 1,000 | - | - | 9,828 | 16 | 10 | Less Depreciation— | | |
| Balance, 1st Jan. | 6,444 | 1 | - | | | | Plant, 1st Jan. | | |
| Add Interest | 322 | 4 | - | | | | Plant Additions | | |
| " Share of Profit | 1,903 | 16 | 10 | | | | Leasehold Premises | | |
| Less Drawings | 8,670 | 1 | 10 | | | | | | |
| | 750 | - | - | | | | | | |
| | | | | 7,920 | 1 | 10 | | | |
| | | | | 28,126 | 15 | 8 | | | |
| | | | | £ | | | | | |

Dr.

DISTRIBUTION OF PROFIT ACCOUNT

67.

[illegible]

EXERCISE XV (D)—No. 27.

Dr.

EAST & CO. IN ACCOUNT CURRENT WITH NORTH & CO.

Cr.

| Date. | Particulars. | Due Date. | Days. | Pro-ducts. | Pro-ducts. | Amount. | Particulars. | Due Date. | Days. | Pro-ducts. | Mos. | Pro-ducts. | Amount. |
|----------|-----------------------|-----------|-------|------------|------------|---------|----------------------|-----------|-------|------------|------|------------|---------|
| 19.. | To Goods . . | Oct. 1 | 123 | £ 12,300 | £ 400 | £ 100 | By Cash . . | 19.. | | | | | |
| Sept. 16 | " Cash . . | Nov. 1 | 92 | 15,080 | 495 | 165 | " Goods . . | Oct. 1 | 123 | 5,535 | 4 | £ 180 | £ 45 |
| Nov. 1 | " Cash . . | Dec. 1 | 62 | 9,300 | 300 | 150 | " Goods . . | Dec. 1 | 62 | 15,500 | 2 | 500 | 250 |
| Dec. 1 | " Cash . . | 19.. | 31 | 9,300 | 300 | 300 | " Goods . . | 19.. | | | | | |
| 19.. | " Cash . . | Jan. 1 | 31 | 9,300 | 300 | 300 | " Goods . . | Jan. 1 | 31 | 7,750 | 1 | 250 | 250 |
| Jan. 1 | " Goods . . | Feb. 1 | | | | 10 | " Bal. of Products . | Feb. 1 | 31 | 3,410 | 1 | 110 | 110 |
| " | " Balance of Interest | | | | | 2 | " Balance c/d | | | 13,785 | | 455 | 72 |
| Feb. 1 | | | | | | 5 | | | | £ 45,980 | | £ 1,495 | 5 |
| | | | | | | 8 | | | | | | | 8 |

$$\begin{aligned}
 \text{MONTHS } \frac{91}{12} \times \frac{91}{100} &= \frac{91}{40} = 2 : 5 : 6. \\
 \text{DAYS } \frac{2779}{3650} \times \frac{22}{100} &= \frac{2779 \times 3}{3650} = 2 : 5 : 8.
 \end{aligned}$$

EXERCISE XV (D)—No. 28.

MESSRS. DAY & WILSON

BALANCE SHEET AS AT.....

| LIABILITIES. | | £ | s. | d. | | | £ | s. | d. | ASSETS. | | £ | s. | d. |
|---------------------|---|---|----|----|---|---|---------------------------|----|----|---------|---|--------|----|----|
| Mortgage on Factory | . | . | . | . | . | . | Cash | . | . | . | . | 2,620 | 18 | 10 |
| Bills Payable. | . | . | . | . | . | . | Bank | . | . | . | . | 212 | 17 | 3 |
| Sundry Creditors | . | . | . | . | . | . | Bills Receivable | . | . | . | . | 100 | . | . |
| Capital Accounts— | | | | | | | Loan to J. Smith, | . | . | . | . | 1,452 | 8 | 9 |
| Arthur Wilson | . | . | . | . | . | . | Sundry Debtors | . | . | . | . | 721 | 4 | 6 |
| Henry Day | . | . | . | . | . | . | Stock. | . | . | . | . | 72 | 3 | 4 |
| | | | | | | | Office Furniture | . | . | . | . | 1,200 | . | . |
| | | | | | | | Machinery | . | . | . | . | 2,500 | . | . |
| | | | | | | | Freehold Factory | . | . | . | . | 42 | . | . |
| | | | | | | | Sundry Expenses (prepaid) | . | . | . | . | | . | . |
| | | | | | | | | | | | | £8,929 | 16 | 9 |

EXERCISE XV (D)—No. 29.

JOURNAL ENTRIES FOR ADJUSTMENTS

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|---------------------------------|------|----|----|------|----|----|
| A | Defaulting Cashier | 328 | 16 | 10 | | | |
| | To Sundry Debtors | | | | 318 | 4 | 6 |
| | ,, Sales Account | | | | 10 | 12 | 4 |
| | Purchases Account | 6 | 8 | 4 | | | |
| | Sundry Creditors | 66 | 5 | 4 | | | |
| | To Defaulting Cashier | | | | 72 | 13 | 8 |
| | Sundry Creditors | 1 | 13 | 9 | | | |
| | To Discount Account | | | | 1 | 13 | 9 |
| | Petty Expenses | 5 | 3 | 6 | | | |
| | To Defaulting Cashier | | | | 5 | 3 | 6 |
| B | Loose Plant | 95 | — | — | | | |
| | To A. Brown | | | | 95 | — | — |
| C | Sales Account | 100 | — | — | | | |
| | To Stock Account | | | | 100 | — | — |
| D | Sundry Debtors | 95 | — | — | | | |
| | To Bills Receivable | | | | 95 | — | — |
| | | £698 | 7 | 9 | £698 | 7 | 9 |

EXERCISE XV (E) No. 1.

DEBENTURE REDEMPTION FUND
INVESTMENT ACCOUNT

| Dr. | | INVESTMENT ACCOUNT | | | | | Cr. | | |
|--------|--|--------------------|----|----|--------|----------------------|--------|----|----|
| | | £ | s. | d. | 19.. | | £ | s. | d. |
| Year 1 | To Cash | 1,431 | 1 | 5 | Year 1 | By Balance c/d . . . | 1,431 | 1 | 5 |
| Year 2 | To Balance b/d | 1,431 | 1 | 5 | Year 2 | By Balance c/d . . . | 2,933 | 13 | 11 |
| | " Cash invested = annual instalment + 1st year's interest. | 1,502 | 12 | 6 | | | | | |
| | | £2,933 | 13 | 11 | | | £2,933 | 13 | 11 |
| Year 3 | To Balance b/d | 2,933 | 13 | 11 | Year 3 | By Balance c/d . . . | 4,511 | 9 | 1 |
| | " Cash | 1,577 | 15 | 2 | | | | | |
| | | £4,511 | 9 | 1 | | | £4,511 | 9 | 1 |

EXERCISE XV (E)—No. 1 (contd.).

| Dr. | | | | DEBENTURE REDEMPTION FUND INVESTMENT ACCOUNT—(contd.) | | | | Cr. | | | |
|---------|----------------------|---------|----|---|---------|-----------------------------|---------|-----|----|--|--|
| | | £ | s. | d. | | | £ | s. | d. | | |
| Year 4 | To Balance b/d . . . | 4,511 | 9 | 1 | Year 4 | By Balance c/d . . . | 6,168 | 2 | — | | |
| | „ Cash | 1,656 | 12 | 11 | | | | | | | |
| | | £6,168 | 2 | — | | | £6,168 | 2 | — | | |
| Year 5 | To Balance b/d . . . | 6,168 | 2 | — | Year 5 | By Balance c/d . . . | 7,907 | 11 | 7 | | |
| | „ Cash | 1,739 | 9 | 7 | | | | | | | |
| | | £7,907 | 11 | 7 | | | £7,907 | 11 | 7 | | |
| Year 6 | To Balance b/d . . . | 7,907 | 11 | 7 | Year 6 | By Balance c/d . . . | 9,734 | — | 8 | | |
| | „ Cash | 1,826 | 9 | 1 | | | | | | | |
| | | £9,734 | — | 8 | | | £9,734 | — | 8 | | |
| Year 7 | To Balance b/d . . . | 9,734 | — | 8 | Year 7 | By Balance c/d . . . | 11,651 | 16 | 2 | | |
| | „ Cash | 1,917 | 15 | 6 | | | | | | | |
| | | £11,651 | 16 | 2 | | | £11,651 | 16 | 2 | | |
| Year 8 | To Balance b/d . . . | 11,651 | 16 | 2 | Year 8 | By Balance c/d . . . | 13,665 | 9 | 5 | | |
| | „ Cash | 2,013 | 13 | 3 | | | | | | | |
| | | £13,665 | 9 | 5 | | | £13,665 | 9 | 5 | | |
| Year 9 | To Balance b/d . . . | 13,665 | 9 | 5 | Year 9 | By Balance c/d . . . | 15,779 | 16 | 4 | | |
| | „ Cash | 2,114 | 6 | 11 | | | | | | | |
| | | £15,779 | 16 | 4 | | | £15,779 | 16 | 4 | | |
| Year 10 | To Balance b/d . . . | 15,779 | 16 | 4 | Year 10 | By Cash | 18,000 | — | — | | |
| | „ Cash | 2,220 | 3 | 8 | | (Realization of Investment) | | | | | |
| | | £18,000 | — | — | | | £18,000 | — | — | | |

| Dr. | | | | DEBENTURE REDEMPTION FUND ACCOUNT | | | | Cr. | | | |
|--------|----------------------|--------|----|-----------------------------------|--------|----------------------------|--------|-----|----|--|--|
| | | £ | s. | d. | | | £ | s. | d. | | |
| Year 1 | To Balance c/d . . . | 1,431 | 1 | 5 | Year 1 | By Appropriation A/c . . . | 1,431 | 1 | 5 | | |
| Year 2 | To Balance c/d . . . | 2,933 | 13 | 11 | Year 2 | By Balance b/d . . . | 1,431 | 1 | 5 | | |
| | | | | | | „ Interest | 71 | 11 | 1 | | |
| | | | | | | „ Appropriation A/c . . . | 1,431 | 1 | 5 | | |
| | | £2,933 | 13 | 11 | | | £2,933 | 13 | 11 | | |
| Year 3 | To Balance c/d . . . | 4,511 | 9 | 1 | Year 3 | By Balance b/d . . . | 2,933 | 13 | 11 | | |
| | | | | | | „ Interest | 146 | 13 | 9 | | |
| | | | | | | „ Appropriation A/c . . . | 1,431 | 1 | 5 | | |
| | | £4,511 | 9 | 1 | | | £4,511 | 9 | 1 | | |
| Year 4 | To Balance c/d . . . | 6,168 | 2 | — | Year 4 | By Balance b/d . . . | 4,511 | 9 | 1 | | |
| | | | | | | „ Interest | 225 | 11 | 6 | | |
| | | | | | | „ Appropriation A/c . . . | 1,431 | 1 | 5 | | |
| | | £6,168 | 2 | — | | | £6,168 | 2 | — | | |
| Year 5 | To Balance c/d . . . | 7,907 | 11 | 7 | Year 5 | By Balance b/d . . . | 6,168 | 2 | — | | |
| | | | | | | „ Interest | 308 | 8 | 2 | | |
| | | | | | | „ Appropriation A/c . . . | 1,431 | 1 | 5 | | |
| | | £7,907 | 11 | 7 | | | £7,907 | 11 | 7 | | |

EXERCISE XV (E)—No. 1 (contd.).

Dr. DEBENTURE REDEMPTION FUND ACCOUNT—(contd.) Cr.

| | | £ | s. d. | | | £ | s. d. |
|---------|--------------------------------------|--------|-------|---------|-------------------------|--------|-------|
| Year 6 | To Balance c/d . . . | 9,734 | — 8 | Year 6 | By Balance b/d . . . | 7,997 | 11 7 |
| | | | | | " Interest . . . | 395 | 7 8 |
| | | | | | " Appropriation A/c . . | 1,431 | 1 5 |
| | | 9,734 | — 8 | | | 9,734 | — 8 |
| Year 7 | To Balance c/d . . . | 11,651 | 16 2 | Year 7 | By Balance b/d . . . | 9,734 | — 8 |
| | | | | | " Interest . . . | 486 | 14 1 |
| | | | | | " Appropriation A/c . . | 1,431 | 1 5 |
| | | 11,651 | 16 2 | | | 11,651 | 16 2 |
| Year 8 | To Balance c/d . . . | 13,665 | 9 5 | Year 8 | By Balance b/d . . . | 11,651 | 16 2 |
| | | | | | " Interest . . . | 582 | 11 10 |
| | | | | | " Appropriation A/c . . | 1,431 | 1 5 |
| | | 13,665 | 9 5 | | | 13,665 | 9 5 |
| Year 9 | To Balance c/d . . . | 15,779 | 16 4 | Year 9 | By Balance b/d . . . | 13,665 | 9 5 |
| | | | | | " Interest . . . | 683 | 5 6 |
| | | | | | " Appropriation A/c . . | 1,431 | 1 5 |
| | | 15,779 | 16 4 | | | 15,779 | 16 4 |
| Year 10 | To Transfer to Capital Reserve . . . | 18,000 | — — | Year 10 | By Balance b/d . . . | 15,779 | 16 4 |
| | | | | | " Interest . . . | 788 | 19 10 |
| | | | | | " Appropriation A/c . . | 1,431 | 3 10 |
| | | 18,000 | — — | | | 18,000 | — — |

EXERCISE XV (E)—No. 2.

JOURNAL

| 19.. | | £ | s. d. | £ | s. d. |
|------|--|--------|-------|--------|-------|
| | Profit and Loss Account . . . | 10,500 | — — | 10,500 | — — |
| | To Appropriation Account . . . | | | | |
| | Transfer of balance. | | | | |
| | Appropriation Account . . . | 500 | — — | | |
| | To Premium on Repayment of Debentures . . . | | | 500 | — — |
| | Premium on repayment now provided. | | | | |
| | Debentures Account . . . | 10,000 | — — | | |
| | Premium on Repayment of Debentures . . . | 500 | — — | | |
| | To Debenture-holders . . . | | | 10,500 | — — |
| | Transfer of balances. | | | | |
| | Appropriation Account . . . | 10,000 | — — | | |
| | To Capital Reserve Account . . . | | | 10,000 | — — |
| | For transfer of amount of profit equal to debentures paid. | | | | |
| | | 31,500 | — — | 31,500 | — — |

EXERCISE XV (E)—No. 2 (*contd.*).

CASH BOOK

(CREDIT SIDE)

| | | £ | s. | d. |
|------|------------------------------|--------|----|----|
| 19.. | By Debenture-holders | 10,500 | — | — |

EXERCISE XV (E)—No. 3.

Dr.

DEBENTURES ACCOUNT

Cr.

| | | £ | s. | d. | | | £ | s. | d. |
|--------|--|---------|----|----|--------|------------------------|---------|----|----|
| Year 1 | To Debentures Redeemed Account | 1,875 | — | — | Year 1 | By Cash | 14,250 | — | — |
| | „ Balance c/d | 13,125 | — | — | | „ Discount | 750 | — | — |
| | | £15,000 | — | — | | | £15,000 | — | — |
| Year 2 | To Deb. Redeemed A/c | 1,875 | — | — | Year 2 | By Balance b/d | 13,125 | — | — |
| | „ Balance c/d | 11,250 | — | — | | | £13,125 | — | — |
| | | £13,125 | — | — | | | £13,125 | — | — |
| Year 3 | To Deb. Redeemed A/c | 1,875 | — | — | Year 3 | By Balance b/d | 11,250 | — | — |
| | „ Balance c/d | 9,375 | — | — | | | £11,250 | — | — |
| | | £11,250 | — | — | | | £11,250 | — | — |
| Year 4 | To Deb. Redeemed A/c | 1,875 | — | — | Year 4 | By Balance b/d | 9,375 | — | — |
| | „ Balance c/d | 7,500 | — | — | | | £9,375 | — | — |
| | | £9,375 | — | — | | | £9,375 | — | — |
| Year 5 | To Deb. Redeemed A/c | 1,875 | — | — | Year 5 | By Balance b/d | 7,500 | — | — |
| | „ Balance c/d | 5,625 | — | — | | | £7,500 | — | — |
| | | £7,500 | — | — | | | £7,500 | — | — |
| Year 6 | To Deb. Redeemed A/c | 1,875 | — | — | Year 6 | By Balance b/d | 5,625 | — | — |
| | „ Balance c/d | 3,750 | — | — | | | £5,625 | — | — |
| | | £5,625 | — | — | | | £5,625 | — | — |
| Year 7 | To Deb. Redeemed A/c | 1,875 | — | — | Year 7 | By Balance b/d | 3,750 | — | — |
| | „ Balance c/d | 1,875 | — | — | | | £3,750 | — | — |
| | | £3,750 | — | — | | | £3,750 | — | — |
| Year 8 | To Deb. Redeemed A/c | 1,875 | — | — | Year 8 | By Balance b/d | 1,875 | — | — |

Dr.

DEBENTURES REDEEMED ACCOUNT

Cr.

| | | £ | s. | d. | | | £ | s. | d. |
|--------|-------------------|-------|----|----|--------|-----------------------|-------|----|----|
| Year 1 | To Cash | 1,875 | — | — | Year 1 | By Debentures | 1,875 | — | — |
| Year 2 | To Cash | 1,875 | — | — | Year 2 | By Debentures | 1,875 | — | — |

and so on for successive years.

EXERCISE XV (E)—No. 3 (*contd.*).

| <i>Dr.</i> | | CASH BOOK | | <i>Cr.</i> | |
|------------|--|-----------|--------|--------------------------|-------------------|
| | | | Year 1 | By Deb. Redeemed A/c . . | £ 1,875 s. — d. — |

and so on for successive years.

EXERCISE XV (E)—No. 4.

| Dr. | | DEBENTURES ACCOUNT | | Cr. | | | |
|------|-----------------------------|--------------------|-------|------|----------------------|----------|-------|
| 19.. | To Cash | £ 8,500 | s. d. | 19.. | By Balance | £ 32,000 | s. d. |
| | " Transfer to Cap. Res. . . | 639 | 15 8 | | | | |
| | " Balance c/d | 22,860 | 4 4 | | | | |
| | | £ 32,000 | - - | | | £ 32,000 | - - |

| Dr. | | CAPITAL RESERVE ACCOUNT | | Cr. | |
|-----|--|-------------------------|------|--------------------------|---------|
| | | | 19.. | By Appropriation A/c . . | £ 8,500 |
| | | | | „ Debenture A/c | 639 |

| <i>Dr.</i> | | CASH ACCOUNT | | | | <i>Cr.</i> | | | | | |
|------------|----------------------|--------------|--------|----|----|------------|-------------------------|---|-------|----|----|
| 19.. | To Balance | £ | 18,000 | s. | d. | 19.. | By Debentures | £ | 8,500 | s. | d. |
| | | | — | | — | | (£8,500 @ 93%) | | | | |

| <i>Dr.</i> | | APPROPRIATION ACCOUNT | | <i>Cr.</i> | | | |
|------------|----------------------------|-----------------------|----------------------------|------------|----------------------------|----------------|----------------------------|
| 19.. | To Capital Reserve A/c . . | <u>£ 8,500</u> | <u>s. —</u> <u>d. —</u> | 19.. | By Profit and Loss A/c . . | <u>£ 8,500</u> | <u>s. —</u> <u>d. —</u> |

EXERCISE XV (E)—No. 5.

| Dr. | | 5% MORTGAGE DEBENTURES | | | | | | Cr | |
|-----------------|-------------------|------------------------|----|----|------------------------------------|---|---------|----|----|
| 1940 Feb. 28 | To Cash | £ | s. | d. | 1939 Dec. 31 1940 Feb. 28 | By Balance | £ | s. | d. |
| | | 51,000 | - | - | | | 50,000 | - | - |
| | | | | | | „ Debenture Redemption Fund | 1,000 | - | - |
| | | £51,000 | - | - | | | £51,000 | - | - |

| Dr. | | DEBENTURE REDEMPTION FUND | | | | | | Cr. | | |
|-----------------|--|---------------------------|----------------|----|----|------------------------------------|--|----------------|----|----|
| 1940 Feb. 28 | To Mortgage Debentures " Balance . | c/d | £ | s. | d. | 1939 Dec. 31 1940 Feb. 28 | By Balance . " Funding Loan . " War Stock . | £ | s. | d. |
| | | | 1,000 | - | - | | | 52,100 | - | - |
| | | | 55,760 | - | - | | | 4,040 | - | - |
| | | | | | | | | 620 | - | - |
| | | | <u>£56,760</u> | - | - | | | <u>£56,760</u> | - | - |
| | | | | | | 1940 Feb. 28 | " Balance . b/d | 55,760 | - | - |

| DEBENTURE REDEMPTION FUND INVESTMENTS | | | | | | | | | | | |
|---------------------------------------|--------------------------------|-------------------------|----------------|----|----|---------|-----------|--|----------------|-----|----|
| Dr. | | £26,400 4% FUNDING LOAN | | | | | | | | Cr. | |
| 1939 | | | £ | s. | d. | 1940 | | | £ | s. | d. |
| Dec. 31 | To Balance . | | 25,000 | - | - | Feb. 28 | By Cash . | | 29,040 | - | - |
| 1940 | | | | | | | | | | | |
| Feb. 28 | " Debenture Redemption Fund. . | | 4,040 | - | - | | | | | | |
| | | | <u>£29,040</u> | - | - | | | | <u>£29,040</u> | - | - |

| Dr. | | £28,000 3½% WAR STOCK | | | | | | Cr. | | | |
|---------|--------------------------------------|-----------------------|---|----|----|---------|-----------|---------|---|----|----|
| 1939 | | | £ | s. | d. | 1940 | | | £ | s. | d. |
| Dec. 31 | To Balance . | 27,100 | - | - | | Feb. 28 | By Cash . | 27,720 | - | - | |
| 1940 | | | | | | | | | | | |
| Feb 28 | „ Debenture Redemption Fund. . | 620 | - | - | | | | | | | |
| | | £27,720 | - | - | | | | £27,720 | - | - | |

EXERCISE XV (E)—No. 5 (*contd.*).*Dr.* DEBENTURE HOLDERS' INTEREST ACCOUNT *Cr.*

| | | £ | s. | d. | | | £ | s. | d. |
|-----------------|--|-------------|-----------|----------|-----------------|------------------------------|-------------|-----------|----------|
| 1940 Feb. 28 | To Tax on £416 13s. 4d. at 5s. . . . | 104 | 3 | 4 | 1940 Feb. 28 | By 2 months' interest . . | 416 | 13 | 4 |
| " 28 | " Cash . . . | 312 | 10 | — | | | | | |
| | | <u>£416</u> | <u>13</u> | <u>4</u> | | | <u>£416</u> | <u>13</u> | <u>4</u> |

Dr. DEBENTURE INTEREST *Cr.*

| | | £ | s. | d. | | | | | |
|-----------------|------------------------------|-----|----|----|--|--|--|--|--|
| 1940 Feb. 28 | To 2 months' interest . . | 416 | 13 | 4 | | | | | |

Dr. INCOME-TAX ACCOUNT *Cr.*

| | | | | | | | £ | s. | d. |
|--|--|--|--|--|-----------------|-----------------------------|-----|----|----|
| | | | | | 1940 Feb. 28 | By Debenture Holders . . | 104 | 3 | 4 |

Dr. CASH ACCOUNT *Cr.*

| | | £ | s. | d. | | | £ | s. | d. |
|-----------------|--------------------------|----------------|----------|----------|-----------------|-----------------------------|----------------|----------|----------|
| 1940 Feb. 28 | To Funding Loan . . . | 29,040 | — | — | 1940 Feb. 28 | By Debenture Holders . . | 51,000 | — | — |
| " 28 | " War Stock . | 27,720 | — | — | " 28 | " Debenture Holders . . | 312 | 10 | — |
| | | | | | " 28 | " Balance . . c/d | 5,447 | 10 | — |
| | | <u>£56,760</u> | <u>—</u> | <u>—</u> | | | <u>£56,760</u> | <u>—</u> | <u>—</u> |
| Mar. 1 | " Balance . b/d | 5,447 | 10 | — | | | | | |

Dr.

DEBENTURES ACCOUNT

[illegible]

524

DEBENTURE REDEMPTION RESERVE

| Dr. | DEBENTURE REDEMPTION RESERVE ✓ | | Cr. |
|------|--------------------------------|---|----------|
| 1937 | 1937 | | |
| | Mar. 31 | By Balance brought down | £ 38,500 |
| | May 1 | " Profit on cancellation of £2,000 Debentures | 65 |
| | Dec. 1 | " Profit on cancellation of £2,000 Debentures | 145 |
| | 1938 | | 13 |
| | Mar. 31 | ✓ " Profit and Loss Account | 3,750 |
| | | | s. d. |
| | | | 8 |
| | | | 4 |

Dr.

DEBENTURE INTEREST

| Dr. | | DEBENTURE INTEREST | | Cr. | |
|----------|--|--------------------|-------|-----|--|
| | | £. | s. d. | | |
| 1937 | | | | | |
| May 1 | To Bank, Interest on £2,000 Debentures cancelled . | 8 | 6 | - | |
| Sept. 30 | " Bank, Interest on £55,000 Debentures for half-year . | 1,375 | - | - | |
| Dec. 1 | " Bank, Interest on £2,000 Debentures cancelled . | 16 | 13 | 4 | |
| 1938 | | | | | |
| Mar. 31 | " Bank, Interest on £53,000 Debentures for half-year . | 1,325 | - | - | |

EXERCISE XV (E)—No. 7.

Dr. 2000 7 PER CENT DEBENTURES OF £100 EACH Cr.

| | | £ | s. | d. | | £ | s. | d. |
|-----------------|--|-----------------|----|----|-----------------|---|-----------------|----|
| 1934 June 30 | To Cash . . | 72,800 | - | - | 1920 | | | |
| " 30 | " 1400 4½ per cent Debentures of £100 each . . | | | | 1934 June 30 | By Cash . . | 200,000 | - |
| | | 140,000 | - | - | | „ Debenture Premium: £60,000 at 5 per cent . . | 3,000 | - |
| | | | | | | £140,000 at 7 per cent . . | 9,800 | - |
| | | <u>£212,800</u> | - | - | | | <u>£212,800</u> | - |

Dr. DEBENTURE REDEMPTION FUND Cr.

| | | £ | s. | d. | | £ | s. | d. |
|-----------------|----------------------------------|-----------------|----|----|-----------------|------------------------------------|-----------------|----|
| 1934 June 30 | To Debenture Premium Account . . | 12,800 | - | - | 1933 Dec. 31 | By Balance . . b/d | 108,500 | - |
| 30 | „ Balance . . c/d | 103,400 | - | - | 1934 June 30 | „ Profit on Sale of Investm'ts . . | 7,700 | - |
| | | <u>£116,200</u> | - | - | | | <u>£116,200</u> | - |
| | | | | | 1934 July 1 | By Balance . . b/d | 103,400 | - |

Dr. DEBENTURE REDEMPTION FUND INVESTMENTS Cr.

| | | £ | s. | d. | | £ | s. | d. |
|-----------------|--|-----------------|----|----|-----------------|----------------------------------|-----------------|----|
| 1933 Dec. 31 | To Balance . . b/d | 108,500 | - | - | 1934 June 30 | By Cash: Sale of £51,000 for . . | 58,700 | - |
| 1934 June 30 | „ Profit on Sale of Investm'ts taken to Debenture Redemp. Fund . . | 7,700 | - | - | " 30 | „ Balance . . c/d | 57,500 | - |
| | | <u>£116,200</u> | - | - | | | <u>£116,200</u> | - |
| 1934 July 1 | To Balance . . b/d | 57,500 | - | - | | | | |

Dr. DEBENTURE PREMIUM ACCOUNT Cr.

| | | £ | s. | d. | | £ | s. | d. |
|-----------------|--------------------------|----------------|----|----|-----------------|--|----------------|----|
| 1934 June 30 | To Debenture Holders . . | 3,000 | - | - | 1934 June 30 | By Transfer to Debenture Redemption Fund . . | 12,800 | - |
| " 30 | „ Debenture Holders . . | 9,800 | - | - | | | <u>£12,800</u> | - |
| | | <u>£12,800</u> | - | - | | | | |

Dr. 1400 4½ PER CENT DEBENTURES OF £100 EACH Cr.

| | | £ | s. | d. |
|-----------------|-------------------------------------|---------|----|----|
| 1934 June 30 | By 7 per cent Debenture Holders . . | 140,000 | - | - |

EXERCISE XV (E)—No. 8

THE LUCIFER ELECTRICAL CO., LTD.

TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

| <i>Dr.</i> | | <i>Cr.</i> | |
|--|--------|-----------------------------------|-----------|
| £ | s. d. | £ | s. d. |
| To Stock, 1st Jan. | 21,000 | By Sales | 61,500 |
| " Purchases | 400 | " Stock, 31st Dec. | 15,000 |
| Add Additional Purchases | | Less Depreciation, 5% | 750 |
| | | | 14,250 |
| " Carriage | 31,800 | " Stock in Process | 2,500 |
| " Wages | | Less Depreciation, 12½% | 312 10 |
| Less Transfer to Office Furniture . . . £100 | | | 2,187 10 |
| " Transfer to Loose Tools . . . £150 | 250 | | |
| | | | |
| " Balance c/d, Gross Profit | | | |
| | | £ | 77,937 10 |

| <i>Dr.</i> | | <i>Cr.</i> | |
|--|-------|-------------------------------------|--------|
| £ | s. d. | £ | s. d. |
| To Preference Share Dividend. ✓ | 300 | By Balance, 1st Jan. | 4,000 |
| " Debenture Reserve (5% of £8,000) | 400 | " Profit and Loss Account | 2,081 |
| " Balance to Balance Sheet | 5,381 | | |
| | | | £6,081 |

EXERCISE XV (E)—No. 8 (contd.)

THE LUCIFER ELECTRICAL CO., LTD.

Dr. PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|--------------------------------------|-------|----|----|--------|----|----|--------|----|----|
| To Wages and Salaries | | | | | | | | | |
| " Stationery | | | | 1,100 | — | — | | | |
| " Discounts | | | | 60 | — | — | | | |
| " Advertising | | | | 1,260 | — | — | | | |
| " Stable Expenses | | | | 45 | — | — | | | |
| " Accountancy Fees | | | | 160 | — | — | | | |
| " Rent, Rates, etc. | | | | 105 | — | — | | | |
| " Repairs and Replacements | | | | 320 | — | — | | | |
| " Travelling Expenses | | | | 43 | — | — | | | |
| " Debenture Interest (4% of £8,000) | | | | 120 | — | — | | | |
| " Directors' Fees (amt. provided) | | | | 320 | — | — | | | |
| " Travellers' Commission | | | | 1,000 | — | — | | | |
| (4% of £61,500) | | | | 307 | 10 | — | | | |
| " Bad Debts | | | | 200 | — | — | | | |
| " (an account ascertained, bad) | | | | 366 | — | — | | | |
| " Bad Debts Reserve | | | | | | | | | |
| " (2% of £18,500 - £200) | | | | | | | | | |
| " Depreciation— | | | | | | | | | |
| Machinery and Plant | 1,057 | 10 | — | | | | | | |
| (7½% of £14,100) | | | | | | | | | |
| Loose Tools (7½% of £900) | 67 | 10 | — | | | | | | |
| Lease (5% of £5,500) | 275 | — | — | | | | | | |
| " Balance, Net Profit c/d | | | | 1,400 | — | — | | | |
| | | | | 2,081 | — | — | | | |
| | | | | £8,887 | 10 | — | | | |
| | | | | | | | £8,887 | 10 | — |

EXERCISE XV (E)—No. 8 (*contd.*).

THE LUCIFER ELECTRICAL CO., LTD.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

[illegible]

THE ELDORADO CIGARETTE CO., LTD.

TRADING ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 19..

Ct.

529

EXERCISE XV (E)—No. 9 (contd.).

THE ELDORADO CIGARETTE CO., LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 19..

[illegible]

THE ELDORADO CIGARETTE CO., LTD.
BALANCE SHEET AS AT 31ST MARCH, 19..

531

EXERCISE XV (E)—No. 10.

| Item. | Side of Ledger. | REASON. |
|--------------|-----------------|---|
| Bad Debts | Dr. | Are losses to the business, being transfers of DEBITS on personal accounts. |
| Cash | Dr. | Receipts should, ordinarily, exceed payments, hence a <i>Dr.</i> balance. |
| Goodwill | Dr. | Being a purchase for CASH, or other valuable consideration, is debited. |
| Reserve Fund | Cr. | Is represented by transfers from the CREDIT of the Profit and Loss Account. |

EXERCISE XV (E)—No. 11.

Gross Profit is, generally, understood to be the amount by which the SELLING price exceeds the PURCHASE or MANUFACTURING cost of that which is sold.

Net Profit is generally understood to be the amount by which the GROSS profit exceeds the selling, distribution, and administration expenses.

The advantages obtained by arriving at the GROSS profit periodically are—

(a) The management are assured that the cost is *less* than turnover.

(b) If the profit is small, it evidences the need of inquiry into price of material, or as to whether the selling price is fixed on a fair basis.

(c) If the profit is large, it may prove need for adjustment of selling price to induce further trade, as it does not necessarily follow that a large profit is a sign of good business. Prices may be prohibitive of future custom.

(d) Fluctuations in the GROSS profit point, generally, to the varying cost, or consumption of material, wages, etc., and indicate the need for inquiry into adjustment *re* cost and sale price accordingly.

EXERCISE XV (E)—No. 12.

See form of Petty Cash Book on page 292 of *Advanced Accounts*, and under "Imprest System" on page 16.

EXERCISE XV (E)—No. 13.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|--|--------|----|----|--------|----|----|
| Nov. 2 | Henry Jones | 500 | - | - | | | |
| | To Goods | | | | 500 | - | - |
| „ 6 | Bills Receivable. | 500 | - | - | | | |
| | To Henry Jones | | | | 500 | - | - |
| Dec. 5 | Bank | 495 | 16 | 8 | | | |
| | Discount (5% on £500 for 2 mos.) | | 4 | 3 | | | |
| | To Bills Receivable | | | | 500 | - | - |
| | | £1,500 | - | - | £1,500 | - | - |

Note.—Until date of maturity, discounted Bills will be stated in the Balance Sheet as under—

| | | | |
|--------------------------------|-----|----|----|
| <i>Contingent Liability—</i> | £ | s. | d. |
| Bills under Discount | 500 | - | - |

EXERCISE XV (E)—No. 14.

(a) The amount of Capital stated in the Memorandum of Association. The item appears on the LIABILITIES side—entered short—of the Balance Sheet.

(b) Calls in Arrears are sums due from but not paid by the shareholders. The amount is shown as a deduction from issued and paid-up Capital. The item appears on the LIABILITIES side of the Balance Sheet.

(c) Loans to Limited Companies, secured by a mortgage on the property (or part of the property) of the Company. The item appears on the LIABILITIES side of the Balance Sheet.

(d) Preliminary Expenses are the “direct” expenses of a Company incidental to its formation, registration, incorporation, etc. They are regarded as Capital Expenditure, and appear on the ASSETS side of the Balance Sheet.

EXERCISE XV (E)—No. 15.

| Dr. | | TRADING AND PROFIT AND LOSS ACCOUNT FOR YEAR ENDED 31ST DECEMBER, 19.. | | | | Cr. | |
|-------------------------------|---|--|----|----|--------|-----|----|
| | | £ | s. | d. | £ | s. | d. |
| To Purchases | . | . | . | . | 49,000 | — | — |
| " Wages | . | . | . | . | 15,000 | — | — |
| " Balance—Gross profit c/d | . | . | . | . | 12,000 | — | — |
| | | | | | 76,000 | — | — |
| | | | | | £ | | |
| To Debenture Interest | . | . | . | . | 475 | — | — |
| " Income Tax | . | . | . | . | 25 | — | — |
| " Office and General Repairs. | . | . | . | . | 1,500 | — | — |
| " Directors' Fees | . | . | . | . | 300 | — | — |
| " Discounts. | . | . | . | . | 200 | — | — |
| " Preliminary Expenses | . | . | . | . | 500 | — | — |
| " Depreciation— | | | | | | | |
| Buildings | . | 400 | — | — | | | |
| Machinery | . | 1,000 | — | — | | | |
| | | | | | 1,400 | — | — |
| | | | | | 7,600 | — | — |
| | | | | | £ | | |
| " Balance, Net Profit | . | . | . | . | 12,000 | — | — |
| | | | | | £ | | |
| | | | | | 70,000 | — | — |
| | | | | | 6,000 | — | — |
| | | | | | £ | | |
| | | | | | 76,000 | — | — |
| | | | | | 12,000 | — | — |
| | | | | | £ | | |

EXERCISE XV (E)—No. 15 (contd.).

THE BRITISH MANUFACTURING CO., LTD.
BALANCE SHEET, 31st DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | PROPERTY AND ASSETS. | |
|---------------------------------|----------|----------------------|----------|
| | £ | | £ |
| Share Capital | 40,000 | Buildings | 19,600 |
| 5% Debenture Stock | 10,000 | Machinery | 24,000 |
| Creditors | 1,500 | Stock | 6,000 |
| Income Tax unpaid | 25 | Debtors | 6,000 |
| <i>Profit and Loss Account—</i> | | Cash in hand | 3,525 |
| Balance, 31st Dec. | 7,600 | | |
| | £ 59,125 | | £ 59,125 |

EXERCISE XV (E)—No. 16.

See answer at end of *Advanced Accounts*.

EXERCISE XV (E)—No. 17.

Interest may be paid to shareholders during a non-revenue earning period, which interest may be capitalized and regarded as part of the cost of the Works under construction. The rate per cent must not exceed 6 per cent per annum. Payment of such interest is restricted to "the close of the half-year next after the half-year during which the works have been actually completed." See also *Advanced Accounts*, page 651 (under "Interest on Capital paid out of Capital").

EXERCISE XV (E)—No. 18.

Although it is permissible to so dispose of the Reserve Fund, it is not considered a correct procedure. Premiums on Shares are regarded as CAPITAL profits, and should be reserved for use in writing down capital losses, or for writing down intangible assets, such as Goodwill, Preliminary Expenses, etc.

EXERCISE XV (E)—No. 19.

THE BRITISH
APPLICATION AND

| No. of Application. | NAME. | ADDRESS. | Occupation. | No. of Shares Applied for. | Amount Paid on Application. |
|---------------------|----------------------|------------------|-------------|----------------------------|-----------------------------|
| | | | | | £ s. d. |
| 1 | Jones, John | London | | 10,000 | 1,250 — — |
| 2 | George, D. O. . . . | Flint | | 1,000 | 125 — — |
| 3 | Flynn, Sir Wm. . . . | Dublin | | 5,000 | 625 — — |
| 4 | Wing, Henry | Dover | | 5,000 | 625 — — |
| 5 | Sundry Persons . . . | | | 40,000 | 5,000 — — |
| | | | | 61,000 | £7,625 — — |

EXERCISE XV (E)—No. 20.

SOLEIL
APPLICATION AND

| No. of Application. | NAME. | ADDRESS. | Occupation. | No. of Shares Applied for. | Amount Paid on Application. |
|---------------------|------------------------|--------------------------------|-------------------|----------------------------|-----------------------------|
| | | | | | £ s. d. |
| 1 | Rheid, Robert | 16 Finsbury Circus, E.C. . . . | Wool Broker | 5,000 | 1,250 — — |
| 2 | Dewey, George | 261 Low Pavement, Nottingham | Lace Manufacturer | 1,000 | 250 — — |
| 3 | Richmond, Robert . . | Eastwood, Essex | Rose Grower | 2,000 | 500 — — |
| 4 | Veitch, Florence . . . | The Manse, Loamtown | Spinster | 100 | 25 — — |
| | | | | 8,100 | £2,025 — — |

EXERCISE XV (E)—No. 21.

BALANCE SHEET AS AT

| CAPITAL AND LIABILITIES. | | £ | s. | d. | £ | s. | d. |
|--|--|----------|----|----|----------|----|----|
| <i>Nominal Capital—</i> | | | | | | | |
| 200,000 6% Preference Shares of £1 each | | 200,000 | — | — | | | |
| 300,000 Ordinary Shares of £1 each | | 300,000 | — | — | | | |
| | | £500,000 | — | — | | | |
| <i>Paid-up Capital—</i> | | | | | | | |
| 100,000 6% Preference Shares of £1 each | | 100,000 | — | — | | | |
| 200,000 Ordinary Shares of £1 each | | 200,000 | — | — | | | |
| | | | | | 300,000 | — | — |
| First Mortgage Debentures | | | | | 75,000 | — | — |
| Mortgage on Freehold Land and Buildings (as contra.) | | | | | 20,000 | — | — |
| Reserve Fund | | | | | 20,000 | — | — |
| County Bank for Overdraft | | | | | 5,000 | — | — |
| Trade Creditors | | | | | 60,000 | — | — |
| Profit and Loss Account (Balance) | | | | | 15,000 | — | — |
| | | | | | £495,000 | — | — |

AERODROM CO., LTD.

ALLOTMENTS BOOK (ORDINARY SHARES)

| No. of Shares Allotted. | Distinctive Numbers. | | S.L. Fo. | Amount Due on Application and Allotment. | | Balance Due on Allotment. | | Cash Paid on Allotment. | | Cash Returned. | | No. of Share Certificate. | Remarks. |
|-------------------------|----------------------|--------|----------|--|-------|---------------------------|-------|-------------------------|-------|----------------|-------|---------------------------|------------------------|
| | From. | To. | | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | | |
| 5,000 Nil | 1 | 5,000 | | 2,500 | - | 1,250 | - | 1,250 | - | 125 | - | | Letter of Regret No. 1 |
| 1,000 | 5,001 | 6,000 | | 500 | - | | - | | - | 125 | - | | |
| 4,000 | 6,001 | 10,000 | | 2,000 | - | 1,375 | - | 1,375 | - | | - | | |
| 40,000 | 10,001 | 50,000 | | 20,000 | - | 15,000 | - | 15,000 | - | | - | | |
| 50,000 | | | £ | 25,000 | - | 17,625 | - | 17,625 | - | 250 | - | | |

D'OR, LTD.

ALLOTMENTS BOOK (SHARES)

| No. of Shares Allotted. | Distinctive Numbers. | | S.L. Fo. | Amount Due on Application and Allotment. | | Balance Due on Allotment. | | Cash Paid on Allotment. | | Cash Returned. | | No. of Share Certificate. | Remarks. |
|-------------------------|----------------------|-------|----------|--|-------|---------------------------|-------|-------------------------|-------|----------------|-------|---------------------------|------------------------|
| | From. | To. | | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | | |
| 5,000 | 1 | 5,000 | | 2,500 | - | 1,250 | - | 1,250 | - | | - | | Letter of Regret No. 1 |
| 500 | 5,001 | 5,500 | | 250 | - | Nil | - | | - | | - | | |
| 2,000 | 5,501 | 7,500 | | 1,000 | - | 500 | - | 500 | - | | - | | |
| Nil | | | | | - | | - | | - | 25 | - | | |
| 7,500 | | | | £3,750 | - | £1,750 | - | £1,750 | - | £25 | - | | |

30TH SEPTEMBER, 19 .

| PROPERTY AND ASSETS | | | | £ | s. d. | £ | s. d. |
|---|--|--|--|---------|-------|----------|-------|
| Goodwill (at cost) | | | | | | 40,000 | - |
| Loose Plant and Tools (as valued by the Company's Manager) | | | | | | 35,000 | - |
| Patterns, (as valued by the Company's Manager) | | | | | | 15,000 | - |
| Fixed Assets— | | | | | | | |
| Freehold Land, at cost | | | | | | 20,000 | - |
| Buildings, at cost | | | | 39,000 | - | | |
| Additions, at cost | | | | 2,000 | - | | |
| | | | | 41,000 | - | | |
| Less Depreciation | | | | 1,000 | - | 40,000 | - |
| Fixed Plant and Machinery, value as taken over by the Company | | | | 140,000 | - | | |
| Additions, at cost | | | | 17,000 | - | | |
| | | | | 157,000 | - | | |
| Less Depreciation | | | | 7,000 | - | 150,000 | - |
| Floating Assets— | | | | | | | |
| Stock-in-Trade (as valued by the Company's Manager) | | | | | | 80,000 | - |
| Trade Debtors | | | | 110,000 | - | | |
| Less Bad Debts Reserve, etc. | | | | 5,500 | - | 104,500 | - |
| Preliminary Expenses | | | | | | 10,500 | - |
| | | | | | | £495,000 | - |

EXERCISE XV (F)—No. 1.

Dr. REDEEMABLE PREFERENCE SHARE CAPITAL ACCOUNT *Cr.*

| | | | | | | |
|-----------------|----------------------------|-------------|-----------------|------------|-----|-------------|
| 19.. June 30 | To Sundry Members' Account | £ 50,000 | 19.. June 30 | By Balance | b/d | £ 50,000 |
|-----------------|----------------------------|-------------|-----------------|------------|-----|-------------|

Dr. PROFIT AND LOSS ACCOUNT *Cr.*

| | | | | | | |
|-----------------|--|----------------|-----------------|------------|-----|----------------|
| 19.. June 30 | To Sundry Members' Account— Premium on Redemption of Redeemable Preference Shares | £ 5,000 | 19.. June 30 | By Balance | b/d | £ 60,000 |
| | „ Capital Redemption Reserve Fund | 50,000 | | | | |
| | „ Balance c/d | 5,000 | | | | |
| | | <u>£60,000</u> | | | | <u>£60,000</u> |
| | | | 19.. July 1 | By Balance | b/d | 5,000 |

Dr. SUNDRY MEMBERS (REDEEMABLE PREFERENCE SHARES) ACCOUNT *Cr.*

| | | | | | |
|-----------------|---------|----------------|-----------------|--|----------------|
| 19.. June 30 | To Bank | £ 55,000 | 19.. June 30 | By Redeemable Preference Share Capital Account | £ 50,000 |
| | | | | „ Profit and Loss Account | |
| | | | | Premium of 2s. per Share on Redemption | 5,000 |
| | | <u>£55,000</u> | | | <u>£55,000</u> |

Dr. CAPITAL REDEMPTION RESERVE FUND *Cr.*

| | | | | | |
|--|--|--|-----------------|---|-------------|
| | | | 19.. June 30 | By Profit and Loss Account | £ 50,000 |
| | | | | Amount transferred in respect of redemption of Redeemable Preference Shares | |

(SUMMARY) BALANCE SHEET AS AT 30TH JUNE, 19 .

| <i>Liabilities</i> | £ | <i>Assets</i> | £ |
|--|-----------------|----------------------------------|-----------------|
| Nominal Capital | ? | Sundry Assets | 200,000 |
| Capital Issued and Subscribed— | | Bank Balance (£85,000 - £55,000) | 30,000 |
| 100,000 Ordinary Shares of £1 each, fully paid | 100,000 | | * |
| 50,000 Redeemable Preference Shares of £1 each, fully paid | £50,000 | | |
| Less Redeemed | 50,000 | | |
| Capital Redemption Reserve Fund | 50,000 | | |
| Sundry Creditors | 75,000 | | |
| Profit and Loss Account | 5,000 | | |
| | <u>£230,000</u> | | <u>£230,000</u> |

EXERCISE XV (F)—No. 3.

6% REDEEMABLE PREFERENCE SHARE CAPITAL ACCOUNT

| Dr. | | | | | | | Cr. |
|---------|---------------------|----------|---|---------|------------|----------|-----|
| 19.. | | | £ | 19.. | | £ | |
| Sept. 1 | To Members' Account | £200,000 | | Sept. 1 | By Balance | £200,000 | |

| Dr. | | | | | | | Cr. |
|---------|---------|----------|------|---------|--|----------|-----|
| 19.. | | £ | 19.. | | | £ | |
| Sept. 1 | To Cash | £200,000 | | Sept. 1 | By 6% Redeemable Preference Share Capital Account. | £200,000 | |

| Dr. | | | | | | | Cr. |
|---------|---|----------|--|---------|---------------------|----------|-----|
| 19.. | | | | 19.. | | | |
| Sept. 1 | To Application and Allotment inclg. Premium | £112,500 | | Sept. 1 | By Members' Account | £200,000 | |

| Dr. | | | | | | | Cr. |
|-----|--|--|--|---------|--------------------------|----------|-----|
| | | | | 19.. | | £ | |
| | | | | Sept. 1 | By General Reserve Fund. | £87,500* | |

| Dr. | | | | | | | Cr. |
|---------|---------------------------|----------|------|---------|------------|----------|--------|
| 19.. | | £ | 19.. | | | £ | |
| Sept. 1 | To Capital Redeemed. | 87,500 | | Sept. 1 | By Balance | 125,000 | |
| | " Reserve Account Balance | 37,500 | | | | | |
| | " c/d | | | | | | |
| | | £125,000 | | | | £125,000 | |
| | | | | Sept. 1 | By Balance | b/d | 37,500 |

| Dr. | | | | | | | Cr. |
|-----|--|--|--|---------|------------------------------|---------|-----|
| | | | | 19.. | | | |
| | | | | Sept. 1 | By Application and Allotment | £75,000 | |

| Dr. | | | | | | | Cr. |
|---------|--------------------------------|----------|------|---------|-----------------|----------|-----|
| 19.. | | | 19.. | | | £ | |
| Sept. 1 | To 5% Preference Share Capital | 75,000 | | Sept. 1 | By Bank Account | 112,500 | |
| | " Premium on Shares Account | 37,500 | | | | | |
| | | £112,500 | | | | £112,500 | |

| Dr. | | | | | | | Cr. |
|-----|--|--|--|---------|--------------------------------------|---------|-----|
| | | | | 19.. | | £ | |
| | | | | Sept. 1 | By Application and Allotment Account | £37,500 | |

* Nominal Value of Shares Redeemed : : : : £200,000
 Less Cash for New Shares (including Premium) : : : : 112,500
 £87,500

EXERCISE XV (F)—No. 4.

REDEEMABLE PREFERENCE SHARE CAPITAL ACCOUNT

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|-----------------|--|-------|-------|-----------------|------------|-------|-------|
| 19.. Mar. 31 | To Preference Capital Redemption Account | £ | s. d. | 19.. Mar. 31 | By Balance | £ | s. d. |
| | | 6,000 | - - | | | 6,000 | - - |

PROFIT AND LOSS ACCOUNT

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|-----------------|--|-------|-------|-----------------|------------|--------|-------|
| 19.. Mar. 31 | To Capital Redemption Reserve Fund | £ | s. d. | 19.. Mar. 31 | By Balance | £ | s. d. |
| | | 6,000 | - - | | | 11,500 | - - |
| | „ Preference Capital Redemption Account—Premium of 2s. a share on 6,000 shares | | | | | | |
| | | 600 | - - | | | | |

CAPITAL REDEMPTION RESERVE FUND

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|------------|--|--|--|-----------------|----------------------------|-------|-------|
| | | | | 19.. Mar. 31 | By Profit and Loss Account | £ | s. d. |
| | | | | | | 6,000 | - - |

PREFERENCE CAPITAL REDEMPTION ACCOUNT

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|-----------------|---------|--------|-------|-----------------|---|--------|-------|
| 19.. Mar. 31 | To Bank | £ | s. d. | 19.. Mar. 31 | By Redeemable Preference Share Capital Account | £ | s. d. |
| | | 6,600 | - - | | | 6,000 | - - |
| | | | | | Profit and Loss Account—Premium on Redemption of Redeemable Preference Shares | | |
| | | | | | | 600 | - - |
| | | £6,600 | - - | | | £6,600 | - - |

BANK

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|------------|--|--|--|-----------------|--|-------|-------|
| | | | | 19.. Mar. 31 | By Preference Capital Redemption Account | £ | s. d. |
| | | | | | | 6,000 | - - |

EXERCISE XV (F)—No. 5.

BALANCE SHEET OF BROWN, JONES, & SMITH,
AS AT 31st MARCH, 1937

| LIABILITIES AND CAPITAL | | | | ASSETS | | | |
|---------------------------------|-------|----|----------------|------------------------|---|----------------|----|
| | £ | s. | d. | | £ | s. | d. |
| Creditors | | | 1,917 | Cash | | 1,396 | |
| Andrews: Loan Account | | | 5,450 | Debtors | | 3,721 | |
| Capital Accounts— | | | | Stock | | 5,600 | |
| Brown | 8,390 | | | Fixed Assets | | 9,600 | |
| Jones | 7,260 | | | Goodwill | | 4,700 | |
| Smith | 2,000 | | | | | | |
| | | | 17,650 | | | | |
| | | | <u>£25,017</u> | | | <u>£25,017</u> | |

EXERCISE XV (F)—No. 6.

The exception to the rule of converting all items at the fixed rate of 2s. 4d. is that remittances must be converted at the actual rate prevailing when cashed so as to give the actual amount realized. The sterling value of the Head Office Account in the Branch Trial Balance must be taken at the value brought forward from the last balancing

The bill of exchange drawn on London will be treated as a remittance in transit. The Branch will have credited the Head Office with the bill, but Head Office will not have made any entry. It will, therefore, be necessary for Head Office to debit Branch Account and credit Remittance in Transit Account

EXERCISE XV (F)—No. 7.

When an item of expenditure fluctuates heavily from one year to another, the annual charge against profits may be levelled by debiting Profit and Loss Account with a fixed annual sum and crediting a Reserve Account with the same amount, and charging the actual expenses each year to the Reserve Account instead of to the Profit and Loss Account. The balance of the Reserve Account, when closing the books at the end of each year, is carried to the Balance Sheet. A well-known example of a reserve of this nature is a Repairs Equalization Reserve, of which the following is an example—

Dr. REPAIRS EQUALIZATION RESERVE ACCOUNT Cr.

| Year | | £ | s. | d. | Year | | £ | s. | d. |
|------|------------------------------|-------------|----|----|------|--------------------------------------|-------------|----|----|
| 1 | To Repairs Account | 76 | 8 | | 1 | By Profit and Loss Account | 150 | | |
| | „ Balance. c/d | 73 | 12 | | | | | | |
| | | <u>£150</u> | | | | | <u>£150</u> | | |
| 2 | To Repairs Account | 250 | | | 2 | By Balance b/d | 73 | 12 | |
| | | | | | | „ Profit and Loss Account | 150 | | |
| | | | | | | „ Balance. c/d | 26 | 8 | |
| | | <u>£250</u> | | | | | <u>£250</u> | | |
| | To Balance. b/d | 26 | 8 | | 3 | By Profit and Loss Account | 150 | | |
| | Balance. c/d | 123 | 12 | | | | | | |
| | | <u>£150</u> | | | | | <u>£150</u> | | |
| 4 | To Repairs Account | 84 | 12 | | 4 | By Balance b/d | 123 | 12 | |
| | „ Balance. c/d | 189 | | | | „ Profit and Loss Account | 150 | | |
| | | | | | | | <u>£273</u> | 12 | |
| | | <u>£273</u> | 12 | | 5 | By Balance b/d | 189 | | |

EXERCISE XV (F)—No. 8.

| Dr. | | GOODWILL | | Cr. | |
|---------|----------------------|----------|---------|-------------------------|----------|
| 19.. | | | | 19.. | |
| June 30 | To Balance . . . b/d | £ 1,000 | June 30 | By Dissolut on Account. | 13 1,000 |

| Dr. | | OFFICE FURNITURE | | Cr. | |
|---------|----------------------|------------------|---------|-------------------------|--------|
| 19.. | | | | 19.. | |
| June 30 | To Balance . . . b/d | £ 219 | June 30 | By Dissolution Account. | 13 219 |

| Dr. | | SUNDRY DEBTORS | | Cr. | |
|---------|----------------------|----------------|---------|-------------------------|----------|
| 19.. | | | | 19.. | |
| June 30 | To Balance . . . b/d | £ 1,405 | June 30 | By Dissolution Account. | 13 1,405 |

| Dr. | | WORK IN PROGRESS | | Cr. | |
|---------|----------------------|------------------|---------|---------------------------|----------|
| 19.. | | | | 19.. | |
| June 30 | To Balance . . . b/d | £ 1,482 | June 30 | By Dis-solut ion Account. | 13 1,482 |

| Dr. | | CASH ACCOUNT | | Cr. | |
|---------|------------------------|--------------|---------|---------------------|-------|
| 19.. | | | | 19.. | |
| June 30 | To Balance . . . b/d | £ 919 | June 30 | By Sundry Creditors | 1 192 |
| | " Fowler— | | | " Munday— | |
| | Capital Account . . 11 | 64 | | Capital Account | 7 182 |
| | | | | Jones— | |
| | | | | Capital Account | 9 609 |
| | | £983 | | | £983 |

| Dr. | | SUNDRY CREDITORS | | Cr. | |
|---------|-----------------|------------------|---------|-----------------------------------|-------|
| 19.. | | | | 19.. | |
| June 30 | To Cash . . . 5 | £ 192 | June 30 | By Balance ^d . . . b/d | £ 192 |

| Dr. | | MUNDAY, CAPITAL ACCOUNT | | Cr. | |
|---------|---------------------------|-------------------------|---------|----------------------|--------|
| 19.. | | | | 19.. | |
| June 30 | To Halt Goodwill . . . 13 | 2,058 | June 30 | By Balance . . . b/d | 1,500 |
| | " Furniture . . . 13 | 219 | | " Current Account | 8 721 |
| | " Debtors . . . 13 | 660 | | " Share of Profit on | |
| | " Work in Progress . . 13 | 842 | | Dissolution . . . 13 | 1,740 |
| | " Cash . . . 5 | 182 | | | |
| | | £3,961 | | | £3,961 |

| Dr. | | MUNDAY, CURRENT ACCOUNT | | Cr. | |
|---------|----------------------------|-------------------------|---------|----------------------|-------|
| 19.. | | | | 19.. | |
| June 30 | To Capital Account . . . 7 | £ 721 | June 30 | By Balance . . . b/d | £ 721 |

EXERCISE XV (F)—No. 8 (contd.)

| Dr. | | JONES, CAPITAL ACCOUNT | | | | Cr. 9 | |
|---------|---------------------|------------------------|---------------|---------|----------------------|-------|---------------|
| 19.. | | | £ | 19.. | | £ | |
| June 30 | To Quarter Goodwill | 13 | 1,029 | June 30 | By Balance . . . b/d | 10 | 1,500 |
| | " Debtors | 13 | 472 | | " Current Account | 10 | 236 |
| | " Work in Progress | 13 | 931 | | " Share of Profit on | | |
| | " Cash | 5 | 609 | | " Dissolution | 13 | 1 305 |
| | | | <u>£3,041</u> | | | | <u>£3,041</u> |

| Dr. | | JONES, CURRENT ACCOUNT | | | | Cr. 10 | |
|---------|--------------------|------------------------|------------|---------|----------------------|--------|------------|
| 19.. | | | £ | 19.. | | £ | |
| June 30 | To Capital Account | 9 | 236 | June 30 | By Balance . . . b/d | | 236 |
| | | | <u>236</u> | | | | <u>236</u> |

| Dr. | | FOWLER, CAPITAL ACCOUNT | | | | Cr. 11 | |
|---------|---------------------|-------------------------|--------------|---------|----------------------|--------|---------------|
| 19.. | | | £ | 19.. | | £ | |
| June 30 | To Quarter Goodwill | 13 | 1,029 | June 30 | By Balance . . . b/d | 12 | 500 |
| | " Debtors | 13 | 221 | | " Current Account | 12 | 354 |
| | " Work in Progress | 13 | 538 | | " Share of Profit on | | |
| | | | <u>1,788</u> | | " Dissolution | 13 | 870 |
| | | | | | " Cash | 5 | 64 |
| | | | | | | | <u>£1,788</u> |

| Dr. | | FOWLER, CURRENT ACCOUNT | | | | Cr. 12 | |
|---------|--------------------|-------------------------|------------|---------|----------------------|--------|------------|
| 19.. | | | £ | 19.. | | £ | |
| June 30 | To Capital Account | 11 | 354 | June 30 | By Balance . . . b/d | | 354 |
| | | | <u>354</u> | | | | <u>354</u> |

| Dr. | | DISSOLUTION ACCOUNT | | | | Cr. 13 | |
|---------|--------------------------|---------------------|-------|---------|------------------|--------|-------|
| 19.. | | | £ | 19.. | | £ | |
| June 30 | To Goodwill | 1 | 1,000 | June 30 | By Munday— | | |
| | " Office Furniture | 2 | 219 | | Half of Goodwill | 7 | 2,058 |
| | " Sundry Debtors | 3 | 1,403 | | " Jones— | | |
| | " Work in Progress | 4 | 1,482 | | Quarter of Good- | 9 | 1,029 |
| | " Profit on Dissolution: | | | | will | | |
| | " Munday | 7 | 1,740 | | " Fowler— | | |
| | " Jones | 9 | 1,305 | | Quarter of Good- | 11 | 1,029 |
| | " Fowler | 11 | 538 | | will | | |
| | | | | | " Munday— | | |
| | | | | | Office Furniture | 7 | 219 |
| | | | | | " Munday— | | |
| | | | | | Debtors | 7 | 660 |
| | | | | | " Jones— | | |
| | | | | | Debtors | 9 | 472 |
| | | | | | " Fowler— | | |
| | | | | | Debtors | 11 | 221 |
| | | | | | " Munday— | | |
| | | | | | Work in Progress | 7 | 842 |
| | | | | | " Jones— | | |
| | | | | | Work in Progress | 9 | 931 |
| | | | | | " Fowler— | | |
| | | | | | Work in Progress | 11 | 538 |

EXERCISE XV (F)—No. 9.

FARNDALE & MACLEOD, LTD.

Dr. TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---|--------|----|----|--------|----|----|---|----|----|
| To Stock, 1st Jan. | | | | 3,560 | | | | | |
| " Purchases | | | | 21,049 | | | | | |
| " Carriage Inwards | | | | 74 | | | | | |
| " Wages | 10,747 | | | | | | | | |
| " Add Wages due | 500 | | | | | | | | |
| " Balance, Gross Profit c/d | | | | 11,247 | | | | | |
| | | | | 8,944 | | | | | |
| | | | | 44,874 | | | | | |
| To Bad Debts | | | | 272 | | | | | |
| " Salaries | | | | 1,020 | | | | | |
| " Carriage Outwards | | | | 119 | | | | | |
| " Insurance | 87 | | | | | | | | |
| " Less Amount prepaid | 12 | | | | | | | | |
| " Postages and Telegrams | | | | 75 | | | | | |
| " Rates, Taxes, etc. | | | | 43 | | | | | |
| " Office Wages | | | | 482 | | | | | |
| " Advertising | | | | 389 | | | | | |
| " Repairs to Plant and Machinery | | | | 58 | | | | | |
| " Discounts Allowed | | | | 61 | | | | | |
| " Debenture Interest (£4 yr. to 30th June, less Tax) | 141 | 5 | | 2,474 | 15 | | | | |
| " Add Debenture Interest accrued (£4 year to 31st Dec., less Tax) | 141 | 5 | | | | | | | |
| Directors' Fees | | | | 282 | 10 | | | | |
| " Advertising Places (£4 of £800 written off) | | | | 200 | | | | | |
| " Discount Reserve on Debtors (24% of £11,650 - £1251) | | | | 200 | | | | | |
| " Bad Debts Reserve (amount provided). | | | | 288 | 2 | 6 | | | |
| " Depreciation— | | | | 125 | | | | | |
| Office Furniture (5% of £65) | 3 | 5 | | | | | | | |
| Plant and Machinery ¹ | 565 | | | | | | | | |
| Leasehold Premises (1% of £30,500). | 305 | | | | | | | | |
| " Balance, Net Profit | | | | 873 | 5 | 6 | | | |
| | | | | 2,339 | 12 | 6 | | | |
| | | | | £9,302 | 5 | | | | |
| By Trading Account b/d | | | | | | | | | |
| " Discount Reserve on Creditors (21% of £1,250) | | | | | | | | | |
| " Discounts Received | | | | | | | | | |
| | | | | 44,874 | | | | | |
| | | | | 8,944 | | | | | |
| | | | | 31 | 5 | | | | |
| | | | | 327 | | | | | |
| | | | | £9,302 | 5 | | | | |

1 5% of £11,000; plus 5% of £800 for 1 year.

EXERCISE XV (F)—No. 9 (contd.).

FARNDALE & MACLEOD, LTD.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | £ | s. | d. | £ | s. | d. | PROPERTY AND ASSETS. | | £ | s. | d. | £ | s. | d. |
|---------------------------------------|--|--------|----|----|---------|----|----|-------------------------------------|--|--------|----|----|---------|----|----|
| <i>Nominal Capital—</i> | | | | | | | | <i>Leasehold Premises</i> | | | | | | | |
| 75,000 Shares of £1 each | | 75,000 | — | — | | | | <i>Less Depreciation</i> | | 305 | — | — | 30,195 | — | — |
| <i>Issued Capital—</i> | | | | | | | | <i>Plant and Machinery</i> | | 11,600 | — | — | 11,035 | — | — |
| 75,000 Shares of £1 each, 15/- called | | 56,250 | — | — | | | | <i>Less Depreciation</i> | | 565 | — | — | | | |
| <i>Less 500 Shares Forfeited.</i> | | 375 | — | — | | | | <i>Office Furniture</i> | | 65 | — | — | | | |
| <i>Less Calls in Arrears</i> | | 55,875 | — | — | | | | <i>Less Depreciation</i> | | 3 | 5 | — | | | |
| <i>6% Debentures—</i> | | | | | | | | <i>Advertising Places</i> | | 600 | — | — | 61 | 15 | — |
| 500 Bonds of £10 each. | | | | | 55,800 | — | — | <i>Less 3/4 written off</i> | | 200 | — | — | | | |
| <i>Debiture Interest accrued</i> | | | | | 5,000 | — | — | <i>Goodwill</i> | | | | | 400 | — | — |
| <i>Forfeited Shares Account</i> | | | | | 141 | 5 | — | <i>Stock.</i> | | | | | 10,000 | — | — |
| <i>Reserve Fund</i> | | | | | 100 | — | — | <i>Sundry Debtors</i> | | 11,650 | — | — | 4,174 | — | — |
| <i>Bank Overdraft</i> | | | | | 2,000 | — | — | <i>Less Bad Debts Reserve £12.5</i> | | | | | | | |
| <i>Sundry Creditors</i> | | 1,250 | — | — | 125 | — | — | <i>" Discount Reserve £288/2/6</i> | | 413 | 2 | 6 | | | |
| <i>Less Discount Reserve</i> | | 31 | 5 | — | | | | <i>Cash in hand</i> | | | | | 11,236 | 17 | 6 |
| <i>Wages Outstanding</i> | | | | | 1,218 | 15 | — | <i>Insurance prepaid</i> | | | | | 10 | — | — |
| <i>Profit and Loss Account—</i> | | | | | 500 | — | — | | | | | | 12 | — | — |
| <i>Current Year's Profit</i> | | 2,339 | 12 | 6 | | | | | | | | | | | |
| <i>Less Loss from previous year</i> | | 100 | — | — | | | | | | | | | | | |
| | | | | | 2,239 | 12 | 6 | | | | | | | | |
| | | | | | £67,124 | 12 | 6 | | | | | | £67,124 | 12 | 6 |

REALIZATION ACCOUNT

547

EXERCISE XV (F)—No. 10 (contd.).

PROFIT AND LOSS ADJUSTMENT ACCOUNT

| Dr. | | PROFIT AND LOSS ADJUSTMENT ACCOUNT | | | | | | | | | | Cr. | |
|------|----------------------------|------------------------------------|----|----|--------|----|----|------|------------|--------|----|-----|--|
| 19.. | | £ | s. | d. | £ | s. | d. | 19.. | By Balance | £ | s. | d. | |
| | To Interest Account— | | | | | | | | | | | | |
| | A, 5% of £2,500 for 1 yr. | 125 | — | — | | | | | | | | | |
| | B, 5% of £1,500 for 1 yr. | 75 | — | — | | | | | | | | | |
| | C, 5% of £1,200 for 1 yr. | 60 | — | — | | | | | | | | | |
| | | | | | 260 | — | — | | | | | | |
| | To Balance, Net Profit— | | | | | | | | | | | | |
| | A's Share, $\frac{1}{3}$: | 1,600 | — | — | | | | | | | | | |
| | B's " $\frac{1}{3}$: | 800 | — | — | | | | | | | | | |
| | C's " $\frac{1}{3}$: | 800 | — | — | | | | | | | | | |
| | | | | | 3,200 | — | — | | | | | | |
| | | | | | £3,460 | — | — | | | £3,460 | — | — | |

CASH ACCOUNT

| CASH ACCOUNT | | | | | | | | | | Cr. | |
|--------------|------------|---|---|--|--|--|--|----|----|-----|--|
| Dr. | | | | | | | | | | | |
| 19.. | To Balance | . | . | | | | | £. | s. | d. | |
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EXERCISE XV (F)—No. II.

APPLICATION AND ALLOT

| No. of Application. | Date of Application. | NAME. | ADDRESS. | Occupation. | No. of Shares Applied for. | Amount Paid on Application. | | |
|---------------------|----------------------|------------------------|--------------------------------------|-------------|----------------------------|-----------------------------|--------|------|
| | 19. | | | | | £ | s. | d. |
| 1 | Jan. | 2 Lucas, Thomas O. | 62 Cold Harbour Lane, Bedford | Baker | 2,500 | 625 | - | - |
| 2 | " | 2 Allen, Percy F. | Park Gates Mansion, Framley | Gentleman | 10,000 | 2,500 | - | - |
| 3 | " | 3 Simpson, Albert R. | 164 High Road, Burnham | Clerk | 120 | 30 | - | - |
| 4 | " | 3 Roberts, George T. | 24 Keble St., Tooting Graveney, S.W. | Barrister | 1,800 | 450 | - | - |
| 5 | " | 4 Peters, Henry | 84 High Street, Merton, London | Butcher | 4,500 | 1,125 | - | - |
| 6 | " | 4 Greenham, Arthur O. | Leethorpe Road, Cardiff | Merchant | 5,000 | 1,250 | - | - |
| 7 | " | 5 Smithers, James | Park Farm, Brimsley | Farmer | 3,500 | 875 | - | - |
| 8 | " | 5 Thompson, Edward E. | 72 Shingle Street, Burton | Brewer | 1,600 | 400 | - | - |
| 9 | " | 6 Martin, Frederick P. | 169 Tonge Road, Kealey | Clerk | 2,500 | 625 | - | - |
| 10 | " | 6 Short, Samuel | 72 Moreton Road, Piccadilly, W. | Stockbroker | 150 | 37 | 10 | - |
| 11 | " | 7 Ruthven, Philip J. | 29 Lake Street, Bashton | Grocer | 2,000 | 500 | - | - |
| 12 | " | 8 Barnard, Rufus O. | 15 Lipton Mansions, Thornton Heath | Major | 5,000 | 1,375 | - | - |
| | | | | | | 39,170 | £9,792 | 10 - |

SHAREHOLDERS' CASH

| Date. | Receipts. | S.L. Fo. | Amount. | Date. | Payments. | S.L. Fo. | Amount. |
|-------|---------------------------|----------|-------------|-------|----------------------------|----------|-------------|
| | | | £ s. d. | | | | £ s. d. |
| 19.. | 2 To Application Account— | | | 19.. | 15 By Application Account— | | |
| Jan. | 2 Lucas, T. O. | | 625 - - | Jan. | 15 Simpson, A. R. | | 30 - - |
| " | 2 Allen, P. F. | | 2,500 - - | " | 15 Short, S. | | 37 10 - |
| " | 3 Simpson, A. R. | | 30 - - | " | 15 " Balance . . . c/f | | 9,725 - - |
| " | 3 Roberts, G. T. | | 450 - - | | | | |
| " | 4 Peters, H. | | 1,125 - - | | | | |
| " | 4 Greenham, A. O. | | 1,250 - - | | | | |
| " | 5 Smithers, J. | | 875 - - | | | | |
| " | 5 Thompson, E. E. | | 400 - - | | | | |
| " | 6 Martin, F. | | 625 - - | | | | |
| " | 6 Short, S. | | 37 10 - | | | | |
| " | 7 Ruthven, P. J. | | 500 - - | | | | |
| " | 8 Barnard, R. O. | | 1,375 - - | | | | |
| | | | £9,792 10 - | | | | £9,792 10 - |

MENTS BOOK (PREFERENCE SHARES)

| No. of Shares Allotted. | Distinctive Numbers. | | S.L. Fo. | Amount Due on Application and Allotment. | | Balance Due on Allotment. | | Amount Paid on Allotment. | | Cash Returned. | | No. of Share Certificate. | Remarks. |
|-------------------------|----------------------|--------|----------|--|-------|---------------------------|-------|---------------------------|-------|----------------|-------|---------------------------|------------------------|
| | From | To | | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | | |
| 2,000 | 50,001 | 52,000 | | 1,000 | - - | 375 | - - | 375 | - - | | | | |
| 6,000 | 52,001 | 58,000 | | 3,000 | - - | 500 | - - | 500 | - - | | | | |
| Nil | | | | | | | | | | 30 | - - | | Letter of Regret No. 3 |
| 1,500 | 58,001 | 59,500 | | 750 | - - | 300 | - - | 300 | - - | | | | |
| 3,500 | 59,501 | 63,000 | | 1,750 | - - | 625 | - - | 625 | - - | | | | |
| 4,000 | 63,001 | 67,000 | | 2,000 | - - | 750 | - - | 750 | - - | | | | |
| 3,000 | 67,001 | 70,000 | | 1,500 | - - | 625 | - - | 625 | - - | | | | |
| 1,500 | 70,001 | 71,500 | | 750 | - - | 350 | - - | 350 | - - | | | | |
| 2,000 | 71,501 | 73,500 | | 1,000 | - - | 375 | - - | 375 | - - | | | | |
| Nil | | | | | | | | | | 37 | 10 - | | Letter of Regret No. 4 |
| 1,500 | 73,501 | 75,000 | | 750 | - - | 250 | - - | 250 | - - | | | | |
| 5,000 | 75,001 | 80,000 | | 2,500 | - - | 1,125 | - - | 1,125 | - - | | | | |
| 30,000 | | | £ | 15,000 | - - | £5,275 | - - | £5,275 | - - | £67 | 10 - | | |

BOOK (PREFERENCE SHARES)

| Date. | Receipts. | S.L. Fo. | Amount. | Date. | Payments. | S.L. Fo. | Amount. |
|---------|----------------------|----------|---------|---------|--|----------|---------|
| 19.. | | | £ | 19.. | | | £ |
| Jan. 15 | To Balance . . . b/d | | 9,725 | Jan. 20 | By Transfer to General Cash Book . . . | | 15,000 |
| " 20 | " Allotment Account— | | | | | | |
| | Lucas, T. O. . . | | 375 | | | | |
| | Allen, P. F. . . | | 500 | | | | |
| | Roberts, G. T. . . | | 300 | | | | |
| | Peters, H. . . | | 625 | | | | |
| | Greenham, A. O. . . | | 750 | | | | |
| | Smithers, J. . . | | 625 | | | | |
| | Thompson, E. E. . . | | 350 | | | | |
| | Martin, F. . . | | 375 | | | | |
| | Ruthven, P. J. . . | | 250 | | | | |
| | Barnard, R. O. . . | | 1,125 | | | | |
| | | £ | 15,000 | | | £ | 15,000 |

EXERCISE XV (F)—No. 12.

CALL BOOK

First Call of 5s. per share made

| S.L. Fo. | NAME. | ADDRESS. | No. of Shares Held. | Amount Due. | | |
|-------------|-----------------|-------------------------------------|---------------------------|----------------|----|----|
| | | | | £ | s. | d. |
| | Barnard, R. O. | 15 Lipton Mansions, Thornton Heath. | 5,000 | 1,250 | — | — |
| | Ruthven, P. J. | 29 Lake Street, Bashton . . . | 1,500 | 375 | — | — |
| | Martin, F. P. | 169 Tonge Road, Kealey . . . | 2,000 | 500 | — | — |
| | Thompson, E. E. | 72 Shingle Street, Burton . . . | 1,500 | 375 | — | — |
| | Smithers, J. | Park Farm, Brimsley . . . | 3,000 | 750 | — | — |
| | Greenham, A. O. | Leethorpe Road, Cardiff . . . | 4,000 | 1,000 | — | — |
| | Peters, H. | 84 High Street, Merton, S.W. . . | 3,500 | 875 | — | — |
| | Allen, O. F. | Park Gates Mansion, Framley . . . | 6,000 | 1,500 | — | — |
| | Lucas, T. O. | 62 Cold Harbour Lane, Bedford . . | 2,000 | 500 | — | — |
| | Roberts, G. T. | 24 Keble Street, Tooting Graveney . | 1,500 | 375 | — | — |
| | | | 30,000 | £7,500 | — | — |

(PREFERENCE SHARES)

May 5th and payable by May 20th

| Amount Paid. | | | ARREARS. | | | Calls Paid in Advance. | | | Remarks. |
|--------------|----|----|----------|-------|-----------|------------------------|----|----|--|
| | | | Amount. | Days. | Interest. | | | | |
| £ | s. | d. | £ | s. | d. | £ | s. | d. | |
| 1,250 | — | — | | | | | | | |
| 375 | — | — | | | | | | | |
| 250 | — | — | 250 | — | 31 | 1 | 1 | 3 | Paid June 20th Subject to 5% Interest |
| 750 | — | — | | | | | | | |
| 750 | — | — | | | | 375 | — | — | |
| 500 | — | — | 500 | — | 31 | 2 | 2 | 6 | Paid June 20th |
| 875 | — | — | | | | | | | |
| 1,500 | — | — | | | | | | | |
| 500 | — | — | | | | | | | |
| Nil | — | — | 375 | — | 31 | 1 | 11 | 10 | Forfeited June 25th |
| | | | | | | | | | |
| | | | | | | | | | |
| £6,750 | — | — | £1,125 | — | — | £4 | 15 | 7 | |
| | | | | | | | | | |
| | | | | | | | | | |

SHAREHOLDERS' CASH BOOK

(PREFERENCE SHARES)

| Date. | Receipts. | Fo. | Amount. | Date. | Payments. | Fo. | Amount. |
|---------|-------------------------|-----|---------|---------|------------------------|-----|---------|
| | | | £ s. d. | | | | £ s. d. |
| 19.. | | | £ | 19.. | | | £ |
| May 8 | To First Call Account— | | | May 20 | By Transfer to General | | |
| " 8 | Barnard, R. O. | | 1,250 | | Cash Book | | 6,750 |
| " 10 | Ruthven, P. J. | | 375 | | | | — |
| " 12 | Martin, F. P. | | 250 | | | | — |
| " 13 | Thompson, E. E. | | 750 | | | | — |
| " 14 | Smithers, J. | | 750 | | | | — |
| " 16 | Greenham, A. O. | | 500 | | | | — |
| " 17 | Peters, H. | | 875 | | | | — |
| " 19 | Allen, P. F. | | 1,500 | | | | — |
| " 20 | Lucas, T. O. | | 500 | | | | — |
| | | | £6,750 | | | | £6,750 |
| | | | | | | | — |
| | | | | | | | — |
| June 20 | To First Call Account— | | | June 20 | By Transfer to General | | |
| " " | Martin, F. P. | | 250 | | Cash Book | | 753 |
| " " | Greenham, A. O. | | 500 | | | | 3 |
| " " | Interest Account— | | | | | | 9 |
| " " | Martin, F. P. | | 2 | | | | — |
| " " | Greenham, A. O. | | 1 | | | | — |
| | | | £753 | | | | £753 |
| | | | | | | | 3 |
| | | | | | | | 9 |

EXERCISE XV (F)—No. 13.

REGISTER OF TRANS

| No. of Transfer. | Date Trans- fer Regis- tered. | TRANSFEROR'S | | | | | |
|---------------------|---|--------------|-------------------|-------------------------|-------------|-------------|---------------------|
| | | S.L. Fo. | NAME. | ADDRESS. | Occupation. | S.L. Fo. | NAME. |
| | 19.. | | | | | | |
| 1 | June 23 | | Lake, R. T. . | 16 Bradford Road, Leeds | Solicitor | | Locksley, N. P. . |
| 2 | July 13 | | Lake, R. T. . | 16 Bradford Road, Leeds | Solicitor | | |
| 3 | Aug. 2 | | | | | | Bullen, F. T. . |
| 4 | Sept. 15 | } | Silverlock, J. P. | Clere Park, Winthorpe . | Gentleman { | | Finchley, Arthur . |
| 5 | Nov. 18 | | | | | | Penwith, Robt. T. . |
| 6 | Dec. 12 | | | | | | |
| | | | | | | | |

FERS (ORDINARY SHARES)

| TRANSFEREE'S | | SHARES TRANSFERRED. | | | | No. of New Certificate. | | Remarks. |
|------------------------------|------------------|---------------------|----------------------|--------|-----------------|-------------------------|----|----------|
| ADDRESS. | Occupation. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | | | |
| | | | From. | To. | | | | |
| 125 Coldthorpe Ave., Brixton | Surveyor | 200 | 1 | 200 | £ | s. | d. | |
| | | 500 | 201 | 700 | 150 | — | — | |
| 12 Luke Street, Bexley | Solicitor | 1,000 | 24,501 | 25,500 | 375 | — | — | |
| | | 300 | 25,501 | 25,800 | 750 | — | — | |
| 11 Jupiter Street, Yeovil | Solicitor | 500 | 25,801 | 26,300 | 225 | — | — | |
| 11 Tower Street, Bermondsey | Leather Merchant | 500 | 26,301 | 26,800 | 375 | — | — | |
| | | | | | 375 | — | — | |

EXERCISE XV (F)—No. 14.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|-------------------------------|----------|----|----|----------|----|----|
| 19.. | | | | | | | |
| Jan. 31 | Stock | 50,000 | - | - | | | |
| | Sundry Debtors | 40,000 | - | - | | | |
| | Cash at Bank | 5,000 | - | - | | | |
| | Fixtures, etc. | 2,000 | - | - | | | |
| | Leasehold Premises | 3,000 | - | - | | | |
| | Goodwill | 12,000 | - | - | | | |
| | To Sundry Creditors | | | | 12,000 | - | - |
| | „ Vendors' Account | | | | 100,000 | - | - |
| | | £112,000 | - | - | £112,000 | - | - |

Dr.

BANK ACCOUNT

Cr.

| | £ | s. | d. | | £ | s. | d. |
|------|------------------------------|----------|----|------|-------------------------|----------|----|
| 19.. | | | | 19.. | | | |
| | To Balance | 5,000 | - | | By Vendor | 100,000 | - |
| | „ Shareholders. | 50,000 | - | | „ Balance c/d | 5,000 | - |
| | „ Debenture-holders. | 50,000 | - | | | | |
| | | £105,000 | - | | | £105,000 | - |

Dr.

VENDORS' ACCOUNT

Cr.

| | £ | s. | d. | | £ | s. | d. |
|------|-------------------|---------|----|------|-----------------------|---------|----|
| 19.. | | | | 19.. | | | |
| | To Cash | 100,000 | - | | By Sundries | 100,000 | - |

EXERCISE XV (F)—No. 14 (*contd.*).

| <i>Dr.</i> | | | | SUNDRY SHAREHOLDERS | | | | <i>Cr.</i> | | | |
|------------|------------------|---|--------|---------------------|----|------|---------|------------|--------|----|----|
| 19.. | To Share Capital | £ | 50,000 | s. | d. | 19.. | By Cash | £ | 50,000 | s. | d. |
| | | | | | | | | | | | |

| <i>Dr.</i> | | | | DEBENTURE HOLDERS | | | | <i>Cr.</i> | | | |
|------------|---------------|---|--------|-------------------|----|------|---------|------------|--------|----|----|
| 19.. | To Debentures | £ | 50,000 | s. | d. | 19.. | By Cash | £ | 50,000 | s. | d. |
| | | | | | | | | | | | |

| <i>Dr.</i> | | | | SHARE CAPITAL ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|--|--|--|-----------------------|--|------|-----------------|------------|--------|----|----|
| | | | | | | 19.. | By Shareholders | £ | 50,000 | s. | d. |
| | | | | | | | | | | | |

| <i>Dr.</i> | | | | DEBENTURES | | | | <i>Cr.</i> | | | |
|------------|--|--|--|------------|--|------|----------------------|------------|--------|----|----|
| | | | | | | 19.. | By Debenture-holders | £ | 50,000 | s. | d. |
| | | | | | | | | | | | |

TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|---------------------------------|----------|----|----|----------|----|----|
| Bank Account | 5,000 | — | — | | | |
| Stock | 50,000 | — | — | | | |
| Sundry Debtors | 40,000 | — | — | | | |
| Fixtures, etc. | 2,000 | — | — | | | |
| Leasehold Premises | 3,000 | — | — | | | |
| Goodwill | 12,000 | — | — | | | |
| Sundry Creditors | | | | 12,000 | — | — |
| Share Capital Account | | | | 50,000 | — | — |
| Debentures | | | | 50,000 | — | — |
| | £112,000 | — | — | £112,000 | — | — |

EXERCISE XV (F)—No. 15.

CONVERTED RANGOON TRIAL BALANCE

| | Rate of Ex- change. | | | | | | |
|---------------------------------|---------------------------|----------|----|----|--------|----|----|
| | | £ | s. | d. | £ | s. | d. |
| Cash at Bank | All at 1/4 | 12,358 | 3 | 1 | | | |
| Cash in hand | | 1,284 | 12 | 8 | | | |
| London Account | | | | | 17,938 | 1 | 10 |
| General Reserves | | | | | 5,018 | 19 | 10 |
| Stocks | | 21,839 | 13 | 7 | | | |
| Advances to Natives | | 15,000 | - | - | | | |
| Buildings, etc.. | | 3,085 | 7 | 8 | | | |
| Sundry Debtors | | 5,864 | 5 | 1 | | | |
| Payments in Advance | | 200 | - | - | | | |
| Reserve for Bad Debts | | | | | 133 | 6 | 8 |
| Sundry Creditors | | | | | 36,541 | 13 | 9 |
| | | £ 59,632 | 2 | 1 | 59,632 | 2 | 1 |

HEAD OFFICE TRIAL BALANCE (ADJUSTED)

| | £ | s. | d. | £ | s. | d. |
|-------------------------------------|----------|----|----|--------|----|----|
| Bills Receivable | 2,000 | - | - | | | |
| Investments | 14,000 | - | - | | | |
| Stocks | 600 | - | - | | | |
| Sundry Debtors | 3,000 | - | - | | | |
| Payments in Advance | 500 | - | - | | | |
| Properties | 25,000 | - | - | | | |
| Profit and Loss (Balance) | 21,200 | - | - | | | |
| Rangoon Account | 17,938 | 1 | 10 | | | |
| Goods in Transit Account | 821 | 18 | 2 | | | |
| Cash at Bank | 3,500 | - | - | | | |
| Cash | 40 | - | - | | | |
| Share Capital | | | | 70,000 | - | - |
| Bills Payable | | | | 5,500 | - | - |
| General Reserves | | | | 8,000 | - | - |
| Reserve for Debtors | | | | 100 | - | - |
| Sundry Creditors | | | | 5,000 | - | - |
| | £ 88,600 | - | - | 88,600 | - | - |

EXERCISE XV (F)—No. 15 (contd.).

THE EASTERN CO., LTD.
BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|--|--|--------|----|----|----------|----|----|----------|----|----|
| <i>Nominal Capital—</i> | | | | | | | | | | |
| 70,000 Shares of £1 each . | | 70,000 | — | — | | | | 3,085 | 7 | 8 |
| <i>Issued Capital—</i> | | | | | | | | 25,000 | — | — |
| 70,000 Shares of £1 each, fully paid . | | | | | 70,000 | — | — | 21,839 | 13 | 7 |
| <i>General Reserves—</i> | | | | | | | | 600 | — | — |
| Rangoon Branch . | | 5,018 | 19 | 10 | | | | | | |
| London . | | 8,000 | — | — | 13,018 | 19 | 10 | | | |
| <i>Bills Payable .</i> | | | | | 5,500 | — | — | 5,864 | 5 | 1 |
| <i>Sundry Creditors—</i> | | | | | | | | 3,000 | — | — |
| Rangoon Branch . | | 36,541 | 13 | 9 | | | | 8,864 | 5 | 1 |
| London . | | 5,000 | — | — | 41,541 | 13 | 9 | | | |
| <i>Less Bad Debts Reserve—</i> | | | | | | | | | | |
| Rangoon . | | | | | | | | £133 | 6 | 8 |
| London . | | | | | | | | 100 | — | — |
| <i>Advances to Natives.</i> | | | | | | | | 233 | 6 | 8 |
| Payments in Advance . | | | | | | | | | | |
| Investments . | | | | | | | | | | |
| Bills Receivable . | | | | | | | | | | |
| Bank . | | | | | | | | 15,858 | 3 | 1 |
| Cash . | | | | | | | | 1,324 | 12 | 8 |
| <i>Profit and Loss A/c (London)</i> | | | | | | | | | | |
| | | | | | £130,060 | 13 | 7 | | | |
| | | | | | | | | 17,182 | 15 | 9 |
| | | | | | | | | 21,200 | — | — |
| | | | | | | | | £130,060 | 13 | 7 |

EXERCISE XV (F)—No. 16

THE CALL MANUFACTURING CO., LTD.

TRADING AND PROFIT AND LOSS ACCOUNT

Dr.

FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | | £ | s. | d. | | £ | s. | d. |
|-------------------------------------|--------|----|----|--------|----|----|----|------------------------|--------|--------|-----|
| To Stock, 1 Jan. . . . | | | | 3,714 | 19 | — | | By Sales | 20,314 | 17 | 10 |
| " Purchases | 10,617 | 15 | 4 | | | | | Less Returns | 307 | 12 | 9 |
| Less Returns Outward | 196 | 19 | 5 | | | | | | 20,007 | 5 | 1 |
| | | | | 10,420 | 15 | 11 | | " Stock, 31st Dec. | 4,402 | 1 | 5 |
| " Manufactg. Wages | | | | 6,901 | 1 | 9 | | | | | |
| " Manufactg. Expenses | | | | 192 | — | 4 | | | | | |
| " Carriage Inwards | | | | 471 | 10 | 4 | | | | | |
| " Factory Fuel and power | | | | 172 | 19 | 5 | | | | | |
| Balance, Gross Profit c/d | | | | 2,535 | 19 | 9 | | | | | |
| | £ | | | 24,409 | 6 | 6 | | | £ | 24,409 | 6 6 |

EXERCISE XV (F)—No. 16 (contd.)

THE CALL MANUFACTURING CO., LTD.

TRADING AND PROFIT AND LOSS ACCOUNT (contd.).

Dr.

FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | | £ | s. | d. | | £ | s. | d. |
|---|-----|----|----|--------|----|----|----|--------------------------------------|--------|----|----|
| To Rates, Taxes, and Insurance . . . | 472 | 10 | 7 | | | | | By Trading Account, Gross Profit b/d | 2,535 | 19 | 9 |
| Less amt. prepaid | 5 | 10 | 6 | | | | | " Rent, sub-let . . | 25 | — | — |
| | | | | 467 | — | 1 | | " Transfer Fees . . | | 2 | 6 |
| " Office and Manage't Salaries . . . | | | | 1,292 | 10 | 6 | | " Discount . . . | 14 | 7 | 3 |
| " Office Expenses . . | | | | 217 | 14 | 11 | | " Bal., NET Loss . | 417 | 5 | — |
| " Carriage Outwards . | | | | 314 | — | 11 | | | | | |
| " Lighting & Heating | | | | 74 | 16 | 1 | | | | | |
| " Audit Fees and Legal Expenses . | | | | 124 | 4 | 9 | | | | | |
| " Travelling Expenses | | | | 96 | 4 | 11 | | | | | |
| " Repairs . . . | | | | 89 | 14 | 9 | | | | | |
| " Provision for Bad Debts Reserve . . | 430 | 17 | 3 | | | | | | | | |
| Less Bal., 1st Jan. | 315 | 9 | 4 | | | | | | | | |
| | | | | 115 | 7 | 11 | | | | | |
| " Depreciation—Plant and Mach. (10% of £1,942 13s. 4d.) . . . | 194 | 5 | 4 | | | | | | | | |
| Furniture and Fittings (5% of £134 6s. 8d.) . | 6 | 14 | 4 | | | | | | | | |
| | | | | 200 | 19 | 8 | | | | | |
| | | | | £2,992 | 14 | 6 | | | £2,992 | 14 | 6 |

THE CALL MANUFACTURING CO., LTD.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES | £ | s. | d. | | £ | s. | d. | PROPERTY AND ASSETS | £ | s. | d. | | £ | s. | d. |
|---|--------|----|----|--|---|----|----|------------------------------------|-------|----|----|--|---------|----|----|
| nominal Capital— | | | | | | | | Freehold Premises . | | | | | 3,200 | — | — |
| 20,000 Ordinary Shares of £1 each . . . | 20,000 | — | — | | | | | Plant & Machinery . | 1,942 | 13 | 4 | | | | |
| Issued Capital— | | | | | | | | Less Depreciation | 194 | 5 | 4 | | 1,748 | 8 | — |
| 16,000 Ordinary Shares of £1 each, fully called | 16,000 | — | — | | | | | Furniture & Fittings | 134 | 6 | 8 | | | | |
| Less Calls in Arrear | 250 | — | — | | | | | Less Depreciation | 6 | 14 | 4 | | 127 | 12 | 4 |
| | 15,750 | — | — | | | | | Goodwill . . . | | | | | 2,000 | — | — |
| Bills Payable . . | 984 | 8 | 1 | | | | | Stock . . . | | | | | 4,402 | 1 | 5 |
| Sundry Creditors . | 3,410 | 5 | 9 | | | | | Sundry Debtors . | 8,617 | 5 | — | | | | |
| | | | | | | | | Less Debtor's Reserve . . . | 430 | 17 | 3 | | 8,186 | 7 | 9 |
| | | | | | | | | Cash at Bank . . | 246 | 9 | 10 | | | | |
| | | | | | | | | Cash in Hand . . | 3 | 4 | — | | 249 | 13 | 10 |
| | | | | | | | | Rent, Sub-let . . | | | | | 25 | — | — |
| | | | | | | | | Insurance prepaid . | | | | | 5 | 10 | 6 |
| | | | | | | | | Balance of Profit & Loss Account . | | | | | 200 | — | — |
| | | | | | | | | | | | | | £20,144 | 13 | 10 |
| | | | | | | | | | | | | | £20,144 | 13 | 10 |

EXERCISE XV (F)—No. 17.

The invoices for drums received will be recorded in an analysed Purchase Day Book, containing a money column and a number column for drums bought. The individual invoice totals should be posted to the credit of the accounts of the respective suppliers, and the total of the drums column to the debit of the Drums Account. On the issue of drums the charge therefor should be included in the invoice, and entered in the Sales Day Book, having two analysis columns in addition to the regular ones. These two columns should be used to analyse the charge for goods and for drums, and provision should be made for a column giving facilities for ascertaining the total number of drums issued. The Returns Inwards Book should be analysed in the same way as the Sales Day Book. The respective drums columns totals in these two books should be posted to the credit and debit of the Drums Account. This Account would then appear as follows—

[illegible]

It will be necessary at balancing time to adjust the sundry debtors to their net value for goods sold, by debiting the Account with the drums in their hands at 6s. each, carrying down the £600, and deducting this figure from the gross debtors in the Balance Sheet. The value of the drums in the hands of debtors must then be taken into the Drums Account as stock at a valuation, and their value shown in the Balance Sheet as stock of drums in the hands of customers.

EXERCISE XV (G)—No. 1.

JOURNAL

| | £ | s. | d. | £ | s. | d. |
|--|---------|----|----|---------|----|----|
| Business Purchase Account | 20,000 | — | — | | | |
| To Vendor | | | | 20,000 | — | — |
| Purchase price of business | | | | | | |
| Freehold Property | 5,500 | — | — | | | |
| Plant and Machinery | 2,000 | — | — | | | |
| Stock | 7,000 | — | — | | | |
| Office Furniture | 200 | — | — | | | |
| A. Arnold | 450 | — | — | | | |
| N. Norman | 550 | — | — | | | |
| Goodwill | 5,550 | — | — | | | |
| To Business Purchase Account. | | | | 21,250 | — | — |
| Being sundry assets taken over. | | | | | | |
| Business Purchase Account | 1,200 | — | — | | | |
| To K. Kirkdale | | | | 700 | — | — |
| „ N Norton | | | | 500 | — | — |
| Being creditors taken over. | | | | | | |
| Business Purchase Account | 50 | — | — | | | |
| To Bad Debts Reserve | | | | 50 | — | — |
| Reserve for bad debts created | | | | | | |
| Vendor | 20,000 | — | — | | | |
| To Ordinary Share Capital A/c | | | | 10,000 | — | — |
| „ Preference Share Capital A/c | | | | 5,000 | — | — |
| „ Bank | | | | 5,000 | — | — |
| Being shares and cash paid in discharge of purchase price. | | | | | | |
| | £62,500 | — | — | £62,500 | — | — |

EXERCISE XV (G)—No. 2.

JOURNAL

| | £ | s. | d. | £ | s. | d. |
|--|-----------------|----|----|-----------------|----|----|
| Business Purchase Account . . . | 40,000 | - | - | | | |
| To Liquidator of old company . | | | | 40,000 | - | - |
| Agreed price of business as per contract dated . . . | | | | | | |
| Liquidator of old company . . . | 40,000 | - | - | | | |
| To Ordinary Share Capital Account | | | | 40,000 | - | - |
| 40,000 fully paid £1 shares issued in satisfaction of purchase price of business as per contract dated . . . | | | | | | |
| Business Purchase Account . . . | 26,107 | - | - | | | |
| To Sundry Creditors . . . | | | | 24,725 | - | - |
| To Reserve for Bad Debts . . . | | | | 1,382 | - | - |
| Creditors taken over and bad debts reserve of old company continued. | | | | | | |
| Patents and Trade Mark . . . | 6,003 | - | - | | | |
| Plant and Machinery . . . | 21,674 | - | - | | | |
| Stock . . . | 15,306 | - | - | | | |
| Sundry Debtors . . . | 23,124 | - | - | | | |
| To Business Purchase Account . | | | | 66,107 | - | - |
| Transfer of assets acquired under contract dated . . . | | | | | | |
| | <u>£172,214</u> | - | - | <u>£172,214</u> | - | - |

TRADING AND PROFIT AND LOSS ACCOUNTS OF GEORGE RIDLEY, LTD.,
FOR THE YEAR ENDED 31st MARCH, 1937

565;

BALANCE SHEET OF GEORGE RIDLEY, LTD., AS AT 31ST MARCH, 1937

566

EXERCISE XV (G)—No. 4.

ORDINARY SHARE CAPITAL ACCOUNT

| <i>Dr.</i> | <i>Cr.</i> | | | |
|--|------------|----|----|------------------|
| | £ | s. | d. | |
| To Capital Reduction Account— Reduction of 100,000 shares from £1 to 7s.6d. . . | 62,500 | — | — | By Balance . . . |
| | | | | £ 100,000 |
| | | | | d. — |

PREFERENCE SHARE CAPITAL ACCOUNT

| <i>Dr.</i> | £ | s. | d. | |
|---|--------|----|----|------------------|
| To Capital Reduction Account— Reduction of 50,000 shares from £1 to 15s. . . | 12,500 | — | — | By Balance . . . |
| | | | | £ 50,000 |
| | | | | d. — |

CAPITAL REDUCTION ACCOUNT

| <i>Dr.</i> | <i>Cr.</i> | | | |
|-------------------------------------|------------|----|----|--|
| | £ | s. | d. | |
| To Formation Expenses | 6,000 | — | — | By Ordinary Share Capital Account |
| " Profit and Loss Account | 64,000 | — | — | " Preference Share Capital Account |
| " Stock-in-Trade | 5,000 | — | — | |
| | £75,000 | — | — | £75,000 |
| | | | | d. — |

FORMATION EXPENSES

| <i>Dr.</i> | £ | s. | d. | |
|----------------------|-------|----|----|--|
| To Balance | 6,000 | — | — | By Capital Reduction Account |
| | | | | £ 6,000 |
| | | | | d. — |

EXERCISE XV (G)—No. 4 (contd.)

| <i>Dr.</i> | PROFIT AND LOSS ACCOUNT | | | | | | <i>Cr.</i> |
|------------|-------------------------|---|---------|----|----|--------------------------------|------------|
| To Balance | . | . | . | . | . | . | |
| | | | £84,000 | s. | d. | a. | |
| | | | £84,000 | - | - | - | |
| | | | | | | By Capital Reduction Account . | |
| | | | | | | £64,000 | |
| | | | | | | - | |
| | | | | | | - | |

| Dr. | STOCK-IN-TRADE | | | | Cr. |
|------------|----------------|----|----|------------------------------|-------|
| | f | s. | d. | | |
| To Balance | 74,000 | - | - | By Capital Reduction Account | 5,000 |
| | | | | | |

BALANCE SHEET OF AUTOGOWELL MOTOR CO. LTD. (AND REDUCED) AS AT 31ST MARCH, 19..

[illegible]

EXERCISE XV (G)—No. 5.

JOURNAL OF STRUCTURES, LTD.

| | £ | s. | d. | £ | s. | d. |
|--|-----------------|----|----|-----------------|----|----|
| Erectors, Ltd. | 122,800 | — | — | 122,800 | — | — |
| To Realization Account | | | | | | |
| Being agreed purchase price of business assets. | | | | | | |
| Realization Account | 130,300 | — | — | | | |
| To Freehold Premises. | | | | 40,000 | — | — |
| „ Plant and Machinery | | | | 50,000 | — | — |
| „ Stock-in-Trade | | | | 14,700 | — | — |
| „ Work in Progress | | | | 8,350 | — | — |
| „ Sundry Debtors | | | | 15,280 | — | — |
| „ Cash at Bank and in Hand . . | | | | 1,970 | — | — |
| Assets sold to Erectors, Ltd. . . | | | | | | |
| Sundry Creditors | 19,800 | — | — | | | |
| To Erectors, Ltd. | | | | 19,800 | — | — |
| Creditors taken over by Erectors, Ltd. | | | | | | |
| Shares in Erectors, Ltd.. . . . | 37,500 | — | — | | | |
| To Erectors, Ltd. | | | | 37,500 | — | — |
| 30,000 Shares in Erectors, Ltd., at 25s. each issued to outside share- holders in Structures, Ltd. | | | | | | |
| Share Capital Account | 37,500 | — | — | | | |
| To Shares in Erectors, Ltd.. . . | | | | 37,500 | — | — |
| Distribution to shareholders of Shares in Erectors, Ltd. | | | | | | |
| Share Capital Account | 50,000 | — | — | | | |
| To Realization Account | | | | 7,500 | — | — |
| „ Profit and Loss Account . . . | | | | 42,500 | — | — |
| Transfer of losses. | | | | | | |
| Debentures | 53,000 | — | — | | | |
| Share Capital Account | 12,500 | — | — | | | |
| To Erectors, Ltd. | | | | 65,500 | — | — |
| Cancellation of Debentures and Shares held by Erectors, Ltd. | | | | | | |
| | <u>£463,400</u> | — | — | <u>£463,400</u> | — | — |

EXERCISE XV (G)—No. 5 (*contd.*)

JOURNAL OF ERECTORS, LTD.

| | £ | s. | d. | £ | s. | d. |
|--------------------------------------|-----------------|----|----|-----------------|----|----|
| Business Purchase Account . . . | 103,000 | — | — | | | |
| To Structures, Ltd. | | | | 103,000 | — | — |
| Agreed purchase price of business. | | | | | | |
| Business Purchase Account . . . | 19,800 | — | — | | | |
| To Sundry Creditors | | | | 19,800 | — | — |
| Liabilities taken over. | | | | | | |
| Freehold Premises | 35,000 | — | — | | | |
| Plant and Machinery | 47,500 | — | — | | | |
| Stock-in-Trade | 14,700 | — | — | | | |
| Work in Progress | 8,350 | — | — | | | |
| Sundry Debtors | 15,280 | — | — | | | |
| Cash at Bank and in Hand . . . | 1,970 | — | — | | | |
| To Business Purchase Account . | | | | 122,800 | — | — |
| Transfer of assets acquired. | | | | | | |
| Structures, Ltd. | 103,000 | — | — | | | |
| To Share Capital Account . . . | | | | 30,000 | — | — |
| „ Share Premium Account . . . | | | | 7,500 | — | — |
| „ Investments— | | | | | | |
| Debentures in Structures, | | | | | | |
| Ltd | | | | 53,000 | — | — |
| Shares in Structures, Ltd. . | | | | 12,500 | — | — |
| 30,000 Shares issued at 25s. each, | | | | | | |
| including 5s. premium, and cancella- | | | | | | |
| tion of Debentures and Shares. | | | | | | |
| Profit and Loss Account | 5,000 | — | — | | | |
| To Shares in Structures, Ltd. . | | | | 5,000 | — | — |
| Loss on investment written off. | | | | | | |
| | <u>£353,600</u> | — | — | <u>£353,600</u> | — | — |

EXERCISE XV (G)—No. 6.

(a) Strictly speaking, there should have been an actual stocktaking on 1st June, 1936, and Final Accounts prepared then. As, however, this has not been done, the profits for the year ended 30th September, 1936, should be ascertained. If any amount has been charged in these accounts for directors' remuneration it should be added back to the profit for the year, the resulting figure being apportioned between the pre-incorporation and the incorporation period in the proportions that the pre-incorporation period turnover and the incorporation period turnover bear to the total turnover. Assuming the net profit for the year after charging £700 for directors' fees is £7,000, and the turnover is £70,000, of which £40,000 was effected before 1st June, 1936, the pre-incorporation profits will be—

$$\frac{(\pounds 7,000 + \pounds 700) \times 40,000}{70,000} = \frac{\pounds 7,700 \times 4}{7} = \pounds 4,400$$

The remainder of the profit is attributable to the post-incorporation period.

(b) The pre-incorporation profits should be put to the credit of a Capital Reserve Fund.

EXERCISE XV (G)—No. 7.

JOURNAL

| | £ | s. | d. | £ | s. | d. |
|--|----------------|----|----|----------------|----|----|
| Business Purchase Account | 18,500 | — | — | | | |
| To Vendors (X and Y) | | | | 18,500 | — | — |
| Agreed purchase price of business. | | | | | | |
| Business Purchase Account | 6,600 | — | — | | | |
| To Sundry Creditors | | | | 3,500 | — | — |
| „ Bills Payable | | | | 400 | — | — |
| „ Loan on Mortgage. | | | | 2,200 | — | — |
| „ Reserve for Bad Debts | | | | 500 | — | — |
| Liabilities and reserve taken over. | | | | | | |
| Bank | 300 | — | — | | | |
| Sundry Debtors | 5,500 | — | — | | | |
| Bills Receivable | 500 | — | — | | | |
| Stock-in-Trade | 7,000 | — | — | | | |
| Plant and Machinery | 3,500 | — | — | | | |
| Land and Buildings | 3,000 | — | — | | | |
| Patterns and Models | 1,000 | — | — | | | |
| Loose Tools | 800 | — | — | | | |
| To Business Purchase Account | | | | 21,600 | — | — |
| Transfer to asset accounts of assets acquired. | | | | | | |
| Goodwill | 3,500 | — | — | | | |
| To Business Purchase Account | | | | 3,500 | — | — |
| Value of goodwill represented by balance of Business Purchase Account. | | | | | | |
| Vendors (X and Y) | 17,000 | — | — | | | |
| To Ordinary Share Capital Account | | | | 12,000 | — | — |
| „ 5½ per cent Cumulative Preference Share Capital Account | | | | 5,000 | — | — |
| Issue of 12,000 Ordinary Shares and 5,000 Preference Shares in part satisfaction of purchase price of business | | | | | | |
| | <u>£67,200</u> | — | — | <u>£67,200</u> | — | — |

Dr.

CASH BOOK

Cr.

| | £ | s. | d. | | £ | s. | d. |
|----------------------|-----|----|----|-------------------------------|-------|----|----|
| To Balance | 300 | — | — | By Vendors (X and Y). | 1,500 | — | — |

EXERCISE XV (C)—No. 7 (contd.)

BALANCE SHEET OF THE RAPID ENGINEERING CO., LTD., AS AT 1ST JANUARY, 19..

| CAPITAL AND LIABILITIES | | | ASSETS | | | | | |
|---|--------|----|---------|----|----|---------------------------------------|-------|---------|
| £ | s. | d. | £ | s. | d. | £ | s. | d. |
| <i>Authorized Capital—</i> | | | | | | | | |
| Ordinary Shares of £1 each | | | | | | Land and Buildings at cost | | 3,000 |
| 5½ per cent Cumulative Preference Shares of £1 each | 12,000 | — | | | | Plant and Machinery at cost | | 3,500 |
| <i>Issued Capital—</i> | | | | | | Loose Tools at cost | | 800 |
| 12,000 Ordinary Shares of £1 each, fully paid | | | | | | Stock-in-Trade | | 7,000 |
| 5,000 5½ per cent Cumulative Preference Shares of £1 each, fully paid | 5,000 | — | | | | Sundry Debtors— | | |
| Loan on Mortgage | | | | | | On Open Accounts | 5,500 | |
| Bank Overdraft | | | | | | On Bills Receivable | 500 | |
| Sundry Creditors | | | 17,000 | | | <i>Less: Reserve for Bad Debts</i> | 6,000 | |
| Bills Payable | | | 2,200 | | | Patterns and Models at cost | 500 | |
| | | | 1,200 | | | Goodwill at cost | | 5,500 |
| | | | 3,500 | | | | | 1,000 |
| | | | 400 | | | | | 8,500 |
| | | | £24,300 | | | | | |
| | | | | | | | | £24,300 |

EXERCISE XV (G)—No. 8.

Dr. PROFIT AND LOSS ACCOUNT OF A. B., LTD., FOR THE YEAR ENDED 31ST DECEMBER, 1939 *Cr.*

| | £ | s. | d. | £ | s. | d. | | £ | s. | d. |
|--|-----|----|----|---------|----|----|--|---|----|----|
| To Office and Management Salaries | | | | 2,780 | | | By Gross Profit brought down | | | |
| " Rates and Insurance | | | | 496 | | | " Discounts | | | |
| " Repairs | | | | 150 | | | | | | |
| " Bad Debts | | | | 539 | | | | | | |
| " Office Expenses, Stationery, etc. | | | | 988 | | | | | | |
| " Delivery Expenses | | | | 210 | | | | | | |
| " Advertising | | | | 1,750 | | | | | | |
| " Depreciation— | | | | | | | | | | |
| Plant and Machinery | 680 | | | | | | | | | |
| Fixtures and Fittings | 54 | | | 754 | | | | | | |
| " Net Profit carried down | | | | 12,149 | | | | | | |
| | | | | £19,816 | | | | | | |
| | | | | | | | By Net Profit brought down | | | |
| | | | | | | | " Factory Charges, Rent, etc. | | | |
| | | | | 198 | | | | | | |
| | | | | 1,275 | | | | | | |
| | | | | 11,526 | | | | | | |
| | | | | £12,999 | | | | | | |
| To Amount written off Preliminary Expenses | | | | | | | | | | |
| " Interim Dividend paid | | | | | | | | | | |
| " Balance carried forward | | | | | | | | | | |

EXERCISE XV (G)—No. 8 (contd.)

BALANCE SHEET OF A. B., LTD., AS AT 31st DECEMBER, 1939

| CAPITAL AND LIABILITIES | | | | | | | | | | | | ASSETS | | | | | | | | |
|-------------------------|----|----|---|----|----|---|----|----|--------|----|----|---------------------------|----|----|---|----|----|--|--|--|
| £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | | | |
| Authorized Capital— | | | | | | | | | | | | Freehold Premises at cost | | | | | | | | |
| 50,000 Ordinary Shares | | | | | | | | | 50,000 | | | — | | | — | | | | | |
| at £1 each. | | | | | | | | | | | | — | | | — | | | | | |
| Issued Capital— | | | | | | | | | | | | — | | | — | | | | | |
| 21,000 Ordinary Shares | | | | | | | | | | | | — | | | — | | | | | |
| of £1 each, fully paid | | | | | | | | | | | | — | | | — | | | | | |
| 10,000 Ordinary Shares | | | | | | | | | | | | — | | | — | | | | | |
| of £1 each, 10s. per | | | | | | | | | | | | — | | | — | | | | | |
| Share called up | | | | | | | | | | | | — | | | — | | | | | |
| Less Calls in Arrear. | | | | | | | | | | | | — | | | — | | | | | |
| 5,000 | | | | | | | | | | | | — | | | — | | | | | |
| 500 | | | | | | | | | | | | — | | | — | | | | | |
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EXERCISE XV (G)—No. 9.

JOURNAL

| | £ | s. | d. | £ | s. | d. |
|--|----------------|----|----|----------------|----|----|
| Share Capital Account | 45,000 | — | — | | | |
| To Capital Reduction Account | | | | 45,000 | — | — |
| 60,000 Shares of £1 each, fully paid, reduced to 60,000 Shares of 5s. each, fully paid, as per resolution dated | | | | | | |
| Premium on Shares Account | 600 | — | — | | | |
| To Profit and Loss Account | | | | 600 | — | — |
| Transfer of premium as per resolu- tion dated | | | | | | |
| Capital Reduction Account | 45,000 | — | — | | | |
| To Profit and Loss Account | | | | 19,650 | — | — |
| „ Goodwill | | | | 10,000 | — | — |
| „ Plant and Machinery | | | | 9,240 | — | — |
| „ Stock | | | | 4,094 | — | — |
| „ Reserve for Bad Debts | | | | 1,500 | — | — |
| „ Freehold Property | | | | 516 | — | — |
| Amounts written off as per resolu- tion dated | | | | | | |
| | <u>£90,600</u> | — | — | <u>£90,600</u> | — | — |

BALANCE SHEET

| | £ | £ | £ |
|---|----------------|--------|----------------|
| <i>Capital—</i> | | | 8,514 |
| Authorized and Is- sued: 60,000 Shares of 5s. each, fully paid | 15,000 | | 10,000 |
| Sundry Creditors | 40,350 | 21,290 | 16,376 |
| | | | 19,790 |
| | | 1,500 | 670 |
| | <u>£55,350</u> | | <u>£55,350</u> |

EXERCISE XV (G)—No. 10.

(i) A company issuing bonus shares is enabled to utilize the assets represented by the profit made as additional working capital. From the shareholders' point of view they receive shares which they can turn into cash by selling them if they so desire, their original holdings still remaining intact.

If the profits are not largely increased, the distribution of profits over a larger number of shares will reduce the rate of dividend paid. This may be considered expedient to conceal from workers the fact that high dividends are being paid. If the company desires to maintain the same rate of dividend

as before it will have considerably to modify its reserve policy unless it earns larger profits

The issue of bonus shares may encourage speculative dealings in the shares, and cause the market value of the shares to fall, though the market value of the total holding may be greater

No sur-tax is payable on a bonus share distribution.

(ii)

JOURNAL

| | £ | s. | d. | £ | s. | d. |
|---|----------------|----------|----------|----------------|----------|----------|
| Reserve Account | 10,000 | — | — | | | |
| To Bonus Account | | | | 10,000 | — | — |
| Bonus payable out of reserve in fully paid shares as per resolution dated | | | | | | |
| Bonus Account | 10,000 | — | — | | | |
| To Share Capital Account | | | | 10,000 | — | — |
| Issue of 10,000 bonus shares of £1 each in payment of bonus at the rate of one bonus share for every ten shares held in the company on an issued capital of £100,000. | | | | | | |
| | <u>£20,000</u> | <u>—</u> | <u>—</u> | <u>£20,000</u> | <u>—</u> | <u>—</u> |

EXERCISE XV (G)—No. 11.

JOURNAL

| 19.. | £ | s. | d. | £ | s. | d. |
|---|----------------|----------|----------|----------------|----------|----------|
| Reserve Account | 40,000 | — | — | | | |
| To Bonus Account | | | | 40,000 | — | — |
| Bonus payable out of Reserve in fully-paid shares as per resolution. | | | | | | |
| Bonus Account | 40,000 | — | — | | | |
| To Share Capital Account | | | | 40,000 | — | — |
| Issue of 40,000 bonus shares of £1 each in payment of bonus at the rate of 1 bonus share for every 5 shares held. | | | | | | |
| | <u>£80,000</u> | <u>—</u> | <u>—</u> | <u>£80,000</u> | <u>—</u> | <u>—</u> |

EXERCISE XV (G)—No. 12.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|---|-----------------|----|----|-----------------|----|----|
| | Final Call Account | 37,500 | — | — | | | |
| | To Share Capital | | | | 37,500 | — | — |
| | Call of 5s. per share on 150,000 shares as per resolution. | | | | | | |
| | Reserve Fund Account | 37,500 | — | — | | | |
| | To Bonus Account | | | | 37,500 | — | — |
| | Bonus of 33 $\frac{1}{3}$ % on £112,500 paid- up capital | | | | | | |
| | Bonus Account | 37,500 | — | — | | | |
| | To Final Call Account | | | | 37,500 | — | — |
| | Application of bonus in payment of final call. | | | | | | |
| | | <u>£112,500</u> | — | — | <u>£112,500</u> | — | — |

EXERCISE XV (G)—No. 13.

JOURNAL

| | £ | s. | d. | £ | s. | d. |
|--|----------------|----|----|----------------|----|----|
| Ordinary Share Final Call Account . | 16,666 | 13 | 4 | | | |
| To Ordinary Share Capital Acct. . | | | | 16,666 | 13 | 4 |
| Call of 3s. 4d. per share on 100,000 shares as per resolution dated..... | | | | | | |
| Reserve Fund | 16,666 | 13 | 4 | | | |
| To Bonus Account | | | | 16,666 | 13 | 4 |
| Bonus of 20 per cent on £83,333 6s. 8d. paid-up Capital declared out of reserve fund as per resolution dated..... | | | | | | |
| Bonus Account | 16,666 | 13 | 4 | | | |
| To Ordinary Share Final Call A/c | | | | 16,666 | 13 | 4 |
| Application of Bonus to discharge of Final Call as per resolution dated | | | | | | |
| | <u>£50,000</u> | — | — | <u>£50,000</u> | — | — |

EXERCISE XV (G)—No. 14.

JOURNAL OF BLACK & WHITE

(The entries to close books of old firm)

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|--|----------|----|----|----------|----|----|
| | Realization Account | 50,950 | — | — | | | |
| | To Land and Buildings | | | | 22,065 | — | — |
| | „ Machinery and Plant | | | | 12,800 | — | — |
| | „ Stock | | | | 10,760 | — | — |
| | „ Sundry Debtors | | | | 4,250 | — | — |
| | „ Investments | | | | 1,075 | — | — |
| | A Company | 60,000 | — | — | 60,000 | — | ✓ |
| | To Realization | | | | | | |
| | Bank (for sale of Investments) | 1,075 | — | — | 1,075 | — | ✓ |
| | To Realization | | | | | | |
| | Realization Account | 10,125 | — | — | | | |
| | To J. Black | | | | 5,062 | 10 | — |
| | ($\frac{1}{2}$ share of profit on Realiza- tion) | | | | | | |
| | „ W. White | | | | 5,062 | 10 | — |
| | ($\frac{1}{2}$ share of profit on Realiza- tion) | | | | | | |
| | Bank | 10,000 | — | — | | | |
| | Shares in A Company | 50,000 | — | — | 60,000 | — | ✓ |
| | To A Company | | | | | | |
| | Sundry Creditors | 3,700 | — | — | 3,700 | — | — |
| | To Bank | | | | | | |
| | J. Black's Capital Account | 30,000 | — | — | | | |
| | W. White's Capital Account | 20,000 | — | — | 50,000 | — | — |
| | To Shares in A Company | | | | | | |
| | J. Black's Capital Account | 5,062 | 10 | — | | | |
| | W. White's Capital Account | 5,062 | 10 | — | 10,125 | — | — |
| | To Bank | | | | | | |
| | | £245,975 | — | — | £245,975 | — | — |

JOURNAL OF A COMPANY

(The entries to open the books of the new company)

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|-------------------------------------|--------|----|----|--------|----|----|
| | Land and Buildings | 22,065 | — | — | | | |
| | Machinery and Plant | 12,800 | — | — | | | |
| | Stock | 10,760 | — | — | | | |
| | Sundry Debtors | 4,250 | — | — | | | |
| | Goodwill | 10,125 | — | — | | | |
| | To J. White & W. Black (Vendors) | | | | 60,000 | — | ✓ |

EXERCISE XV (G)—No. 14 (*contd.*).JOURNAL OF A COMPANY—(*contd.*)
(*The entries to open the books of the new company*)

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|---------------------------------------|----------|----|----|----------|----|----|
| | Messrs. J. White & W. Black (Vendors) | 60,000 | — | — | | | |
| | To Ordinary Share Capital | | | | 50,000 | — | — |
| | „ Bank | | | | 10,000 | — | — |
| | Sundry Shareholders | 50,000 | — | — | | | |
| | To Ordinary Share Capital | | | | 50,000 | — | — |
| | Bank | 50,000 | — | — | | | |
| | To Sundry Shareholders | | | | 50,000 | — | — |
| | | £220,000 | — | — | £220,000 | — | — |

EXERCISE XV (G)—No. 15.

JOURNAL OF THE BIRGET ENGINEERING CO., LTD.

| 19.. | | £ | s. | d. | £ | s. | d. |
|---------|--|----------|----|----|----------|----|----|
| July .. | Application A/c (Ordinary Shares) | 1,100 | — | — | | | |
| | To Ordinary Share Capital | | | | 1,100 | — | — |
| | £1 per share on 1,100 shares. | | | | | | |
| | Application A/c (Preference Shares) | 5,000 | — | — | | | |
| | To Preference Share Capital | | | | 5,000 | — | — |
| | £1 per share on 5,000 shares. | | | | | | |
| „ 9 | Allotment A/c (Ordinary Shares) | 4,400 | — | — | | | |
| | To Ordinary Share Capital | | | | 4,400 | — | — |
| | £4 per share on 1,100 shares. | | | | | | |
| „ 9 | Allotment A/c (Preference Shares) | 10,000 | — | — | | | |
| | To Preference Share Capital | | | | 10,000 | — | — |
| | £2 per share on 5,000 shares. | | | | | | |
| „ 9 | Patents A/c | 40,000 | — | — | | | |
| | To Sharp & Short (Vendors) | | | | 40,000 | — | — |
| „ 9 | Sharp & Short (Vendors) | 39,000 | — | — | | | |
| | To Ordinary Share Capital | | | | 39,000 | — | — |
| | For issue of 3,900 shares of £10 each, as fully paid, to vendors in part payment of purchase price of patents. | | | | | | |
| Oct. 9 | First Call A/c (Ordinary Shares) | 5,500 | — | — | | | |
| | To Ordinary Share Capital | | | | 5,500 | — | — |
| | £5 per share on 1,100 shares. | | | | | | |
| „ 9 | First Call A/c (Preference Shares) | 10,000 | — | — | | | |
| | To Preference Share Capital | | | | 10,000 | — | — |
| | £2 per share on 5,000 shares. | | | | | | |
| | | £115,000 | — | — | £115,000 | — | — |

EXERCISE XV (G)—No. 15 (contd.).

Dr.

CASH BOOK

Cr.

| | Bank. | | | Bank. | |
|---|----------|-------|------------------------------|----------|-------|
| | £ | s. d. | | £ | s. d. |
| 19.. | | | 19.. | | |
| July .. | | | July 9 | | |
| To Application A/c (Ordinary Shares) . | 1,100 | — | By Sharp & Short (Vendors) . | 1,000 | — |
| " Application A/c (Preference Shares) . | 5,000 | — | " Balance c/d . | 34,800 | — |
| " Allotment A/c (Ordinary Shares) . | 4,400 | — | | | |
| " Allotment A/c (Preference Shares) . | 10,000 | — | | | |
| " Call A/c (Ordinary Shares) . | 5,500 | — | | | |
| " Call A/c (Preference Shares) . | 9,800 | — | | | |
| | £ 35,800 | — | | £ 35,800 | — |
| To Balance b/d . | 34,800 | — | | | |
| July .. | | | | | |

THE BIRGET ENGINEERING CO., LTD.

BALANCE SHEET AS AT 31st OCTOBER, 19..

| CAPITAL AND LIABILITIES. | | PROPERTY AND ASSETS. | |
|-------------------------------------|----------|------------------------|----------|
| £ | s. d. | £ | s. d. |
| <i>Nominal and Issued Capital—</i> | | Patents | |
| 5,000 Ordinary Shares of £10 each, | | Cash at Bank | |
| fully paid | 50,000 | | |
| 5,000 Preference Shares of £5 each, | | | |
| fully called | 25,000 | | |
| Less Calls in Arrears | 200 | | |
| | £ 74,800 | | £ 74,800 |

EXERCISE XV (G)—No. 16.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|------|---|---|----------|----|---|----------|----|
| 19.. | | | | | | | |
| Jan. | 1 | Business Purchase Account | 60,000 | — | — | 60,000 | — |
| | | To Vendor's Account | | | | | — |
| | | For purchase price of business as per agreement dated 1st Jan. | | | | | |
| | 1 | Stock-in-Trade | 10,000 | — | — | | |
| | | Machinery and Plant | 25,000 | — | — | | |
| | | Loose Tools | 4,000 | — | — | | |
| | | Bills Receivable | 2,500 | — | — | | |
| | | Cash at Bank | 5,000 | — | — | | |
| | | Goodwill | 10,000 | — | — | | |
| | | Sundry Debtors | 20,000 | — | — | | |
| | | To Business Purchase Account. | | | | 76,500 | — |
| | | For assets acquired as per agree- ment. | | | | | |
| | 1 | Business Purchase Account | 16,500 | — | — | 10,000 | — |
| | | To Sundry Creditors | | | | 5,000 | — |
| | | „ Bills Payable | | | | 1,500 | — |
| | | „ Bad Debts Reserve | | | | | — |
| | | For liabilities taken over as per agreement. | | | | | |
| | 1 | Vendor's Account | 50,000 | — | — | 25,000 | — |
| | | To Ordinary Share Capital | | | | | — |
| | | 25,000 shares of £1 each issued as fully paid to vendor. | | | | | |
| | | To 5% Debentures | | | | 25,000 | — |
| | | 250 bonds of £100 each, repay- able in 10 years at 105, issued as fully paid to vendor. | | | | | |
| | 1 | Application Account (Ord. Shares). | 7,500 | — | — | 7,500 | — |
| | | To Ordinary Share Capital | | | | | — |
| | | 10/- per share on 15,000 shares. | | | | | |
| | 1 | Allotment Account | 7,500 | — | — | 7,500 | — |
| | | To Ordinary Share Capital | | | | | — |
| | | 10/- per share on 15,000 shares. | | | | | |
| | | TOTAL OF JOURNAL | £218,000 | — | — | £218,000 | — |

EXERCISE XV (G)—No. 16 (*contd.*).

| <i>Dr.</i> | | CASH BOOK | | | | <i>Cr.</i> | |
|------------|---------------------------|-----------|-------|--------|-----------------------------|------------|-------|
| | | Bank. | | | | Bank. | |
| | | £ | s. d. | | | £ | s. d. |
| 19.. | | | | 19.. | | | |
| Jan. 1 | To Balance | 5,000 | — | Feb. 1 | By Vendor | 10,000 | — |
| | „ Application Account . . | 7,500 | — | | (Balance of purchase money) | | — |
| | „ Allotment Account . . | 7,350 | — | | „ Balance c/d | 9,850 | — |
| | | | | | | | |
| | | £ 19,850 | — | | | £ 19,850 | — |

Note.—The totals of Journal above differ from the answer given in *Advanced Accounts*. The figures in the textbook are arrived at as follows—

| | Debit Side. | Credit Side. |
|---|-------------|--------------|
| Total of Assets (including Goodwill) | £ 76,500 | £ |
| Total of Liabilities (including Vendor's Account) | | 76,500 |
| <i>Journal Entries for—</i> | | |
| (a) Vendors' Shares and Debentures | 50,000 | 50,000 |
| (b) Application Account | 7,500 | 7,500 |
| (c) Allotment Account | 7,500 | 7,500 |
| JOURNAL as Textbook Answer | £141,500 | £141,500 |

THE JOHN SMITH AND STEEL NIB CO., LTD.

TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

[illegible]

PROPOSED APPROPRIATION ACCOUNT

[illegible]

EXERCISE XV (G)—No. 17 (contd.).

THE JOHN SMITH AND STEEL NIB CO., LTD.

Dr.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|--|-------|----|----|--------|----|----|--------|----|----|
| To Rent | | | | £76 | — | — | | | |
| " Rates and Taxes | | | | 211 | — | — | | | |
| " Salaries | | | | 917 | — | — | | | |
| " Discounts Allowed | 1,033 | — | — | | | | | | |
| " Less Amount on Debts guaranteed by J. Smith | 239 | — | — | | | | | | |
| Office Expenses | | | | 794 | — | — | | | |
| " Directors' Fees | | | | 1,006 | — | — | | | |
| " " Bad Debts | 206 | — | — | 200 | — | — | | | |
| " Less Amount guaranteed by J. Smith | 187 | — | — | | | | | | |
| Auditors' Fees | | | | 19 | — | — | | | |
| " Bad Debts Reserve | | | | 100 | — | — | | | |
| " (5% of £12,380) | | | | 619 | — | — | | | |
| " Depreciation— Preliminary Expenses | 100 | — | — | | | | | | |
| " Machinery and Plant | 932 | — | — | | | | | | |
| " (8% of £11,650) | | | | | | | | | |
| " Leasehold Premises | 375 | — | — | | | | | | |
| " (2½% of £7,500) | | | | | | | | | |
| " Balance, NET Profit c/d | | | | 1,407 | — | — | | | |
| | | | | 1,322 | — | — | | | |
| | | | | £6,671 | — | — | | | |
| | | | | | | | £6,671 | — | — |

EXERCISE XV (G)—No 18. JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|--|-----------|----|----|-----------|----|----|
| | Business Purchase A/c | 220,000 | - | - | 220,000 | - | - |
| | To Vendor (A. Edwards & Co.) | | | | | | |
| | For agreed purchase price of business. | | | | | | |
| | Freehold Land and Buildings | 28,000 | - | - | | | |
| | Machinery and Plant | 25,000 | - | - | | | |
| | Debtors | 45,000 | - | - | | | |
| | Stocks and Materials in Progress | 140,000 | - | - | | | |
| | Advertising Plates, etc. | 25,000 | - | - | | | |
| | Goodwill | 42,000 | - | - | | | |
| | To Business Purchase A/c | | | | 305,000 | - | - |
| | Sundry Assets required as per agreement. | | | | | | |
| | Business Purchase A/c | 85,000 | - | - | | | |
| | To Trade Creditors | | | | 40,000 | - | - |
| | „ Loans on Mortgage | | | | 45,000 | - | - |
| | Sundry Liabilities as per agreement. | | | | | | |
| | Vendor (A. Edwards & Co.) | 125,000 | - | - | 125,000 | - | - |
| | To Ordinary Share Capital | | | | | | |
| | Issue to vendor of 125,000 £1 Ordinary Shares in part payment of purchase price of business. | | | | | | |
| | Application A/c (Preference Shares) | 6,250 | - | - | | | |
| | To Preference Share Capital | | | | 6,250 | - | - |
| | 1/- per share on 125,000 shares. | | | | | | |
| | Allotment A/c (Preference Shares) | 15,625 | - | - | | | |
| | To Preference Share Capital | | | | 15,625 | - | - |
| | 2/6 per share on 125,000 shares. | | | | | | |
| | First Call A/c (Preference Shares) | 62,500 | - | - | | | |
| | To Preference Share Capital | | | | 62,500 | - | - |
| | 10/- per share on 125,000 shares. | | | | | | |
| | Final Call A/c | 46,875 | - | - | | | |
| | To Preference Share Capital | | | | 46,875 | - | - |
| | 7/6 per share on 125,000 shares. | | | | | | |
| | Bank A/c | 131,250 | - | - | | | |
| | To Application A/c | | | | 6,250 | - | - |
| | „ Allotment A/c | | | | 15,625 | - | - |
| | „ First Call A/c | | | | 62,500 | - | - |
| | „ Second (Final) Call A/c | | | | 46,875 | - | - |
| | For receipts of sums due from shareholders. | | | | | | |
| | Vendor A/c (A. Edwards & Co.) | 95,000 | - | - | | | |
| | To Bank | | | | 95,000 | - | - |
| | For balance due to vendor to complete payment of purchase price of business. | | | | | | |
| | £ | 1,092,500 | - | - | 1,092,500 | - | - |

EXERCISE XV (G)—No. 19 (contd.).

| CASH ACCOUNT | | | | | | Cr. | |
|--------------|------------------------|----------|----|----|---------------------------|----------|-------|
| Dr. | | | | | | | |
| 19.. | To Realization | £ | s. | d. | 19.. | £ | s. d. |
| | | 14,950 | — | — | By Sundry Creditors . . | 3,750 | — |
| | | | | | " A's Capital Account . . | 6,800 | — |
| | | | | | " O's Capital Account . . | 4,400 | — |
| | | £ 14,950 | — | — | | £ 14,950 | — |

"A" receives £6,800 = (Capital Balance £6,000 + Share of Profit on Realization £800).

"O" receives £4,400 = (Capital Balance £4,000 + Share of Profit on Realization £400).

EXERCISE XV (G)—No. 20.

*Four months, or $\frac{1}{3}$ of the profit, viz., £1,900 being profit prior to incorporation, would not be available for dividend. £3,800 could be appropriated for distribution.

EXERCISE XV (G)—No. 21.

A COMPANY LIMITED

TRADING ACCOUNT

| <i>Dr.</i> | FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | | | | | | | <i>Cr.</i> |
|------------------------|--|----|----|----------|----|----|--------------------|----------|----|--------|------------|
| | £ | s. | d. | £ | s. | d. | | £ | s. | d. | |
| To Stock, 1st Jan. . . | | | | 3,417 | 8 | 9 | By Sales | 24,141 | 14 | 5 | |
| „ Purchases . . . | 9,716 | 10 | 4 | | | | Less Returns | | | | |
| Less Returns | | | | | | | Inwards . . | 316 | 10 | — | |
| Outward . . . | 114 | 5 | 11 | | | | | | | 23,825 | |
| | | | | 9,602 | 4 | 5 | „ Stock | | | 2,962 | |
| „ Carriage Inwards | | | | 198 | 4 | 7 | | | | | |
| „ Manufctg. Wages | | | | 3,496 | 12 | — | | | | | |
| „ „ Expenses | | | | 945 | 14 | 3 | | | | | |
| „ Factory Fuel and | | | | | | | | | | | |
| Power . . . | | | | 127 | 10 | — | | | | | |
| „ Balance, Gross | | | | | | | | | | | |
| Profit c/d . . | | | | 9,000 | — | — | | | | | |
| | | | | £ 26,787 | 14 | — | | | | | |
| | | | | | | | | £ 26,787 | 14 | — | |

A COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

| <i>Dr.</i> | FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | | | | | | | <i>Cr.</i> | | |
|---|--|----|----|---------------|----|----|---|---------------|----|----|---------------|----|----|
| | £ | s. | d. | £ | s. | d. | | £ | s. | d. | £ | s. | d. |
| To Salaries . . . | | | | 1,596 | 10 | 4 | By Trading Account, Gross Profit b/d | | | | 9,000 | — | — |
| „ Works Manager's Commis. (1% of £9,000) | | | | 90 | — | — | | | | | | | |
| „ Carr. Outwards . | | | | 215 | 6 | 11 | | | | | | | |
| „ General Exps. . . | | | | 814 | 5 | — | <i>Appropriation Account</i> (Credit Side) | | | | | | |
| „ Rates, Taxes, and Insurance . . . | | | | 368 | 10 | 10 | By Bal., 1st April . | 743 | 6 | — | | | |
| „ Lighting and Heating . . . | | | | 98 | 14 | 7 | „ Current Year's Profit . . . | 4,545 | 15 | — | | | |
| „ Stable Expenses . | | | | 247 | 6 | 11 | | | | | | | |
| „ Discount . . . | | | | 92 | 4 | 1 | | | | | | | |
| „ Bad Debts . . . | | | | 148 | 9 | 6 | | <u>£5,289</u> | 1 | — | | | |
| „ Interest and Bank Charges . . . | | | | 47 | 10 | — | | | | | | | |
| „ Provision for Bad Debts (5% of £7,814 10s. 0d.) | | | | 390 | 14 | 6 | (Debit Side) To General Mana- gers' Commis. (5% of £4,545 15s. 0d.) . . . | 227 | 5 | 9 | | | |
| „ Depreciation— Plant & Ma- chinery (10% of £1,972 10s. 0d.) | 197 | 5 | — | | | | „ Balance to Bal- ance Sheet . . | 5,061 | 15 | 3 | | | |
| Fixtures, etc. (5% of £947 6s. 8d.) . . . | 47 | 7 | 4 | | | | | <u>£5,289</u> | 1 | — | | | |
| Horses & Carts | 100 | — | — | | | | | | | | | | |
| | | | | 344 | 12 | 4 | | | | | | | |
| „ Balance, NET Profit c/d . . | | | | 4,545 | 15 | — | | | | | | | |
| | | | | <u>£9,000</u> | — | — | | | | | <u>£9,000</u> | — | — |

EXERCISE XV (G)—No. 21 (contd.).

T's CAPITAL ACCOUNT

| Dr. | | | (OVERDRAWN) | | | Cr. | | |
|------|---------------------|--|-------------|----|----|------|----------------------------|-------------|
| 19.. | | | £ | s. | d. | 19.. | | £ s. d. |
| | To Balance . . . | | 750 | — | — | | By Capital Accounts— | |
| | „ Interest @ 6% . . | | 22 | 10 | — | | R, $\frac{1}{2}$ share . . | 1,058 16 6 |
| | „ Share of Loss on | | | | | | S, $\frac{1}{2}$ share . . | 673 16 — |
| | Realization . . . | | 960 | 2 | 6 | | | |
| | | | £1,732 | 12 | 6 | | | £1,732 12 6 |

EXERCISE XV (G)—No. 22.

THE XL MANUFACTURING CO., LTD.

TRADING AND PROFIT AND LOSS ACCOUNT

| Dr. | | | FOR THE YEAR ENDED 31ST MARCH, 19.. | | | Cr. | | |
|--------------------------|-----|-------|-------------------------------------|----|----|-----------------------------------|--------|--------|
| | £ | s. d. | £ | s. | d. | | £ | s. d. |
| To Stock, 1st April . . | | | 8,621 | — | — | By Sales | 30,808 | — |
| „ Purchases | | | 11,920 | — | — | „ Stock, 1st March . . | 8,102 | — |
| „ Manufactg. Wages . . | | | 9,897 | — | — | | | |
| „ Coal and Coke . . . | | | 2,650 | — | — | | | |
| „ Balance, Gross . . . | | | | | | | | |
| „ Profit, c/d | | | 5,622 | — | — | | | |
| | £ | | 38,710 | — | — | | £ | 38,710 |
| To Discounts | | | 851 | — | — | By Trading Account, Gross Profit, | | |
| „ Salaries and Commis- | | | | | | b/d | 5,622 | — |
| sion | | | 1,266 | — | — | | | |
| „ Rent, Rates, Taxes, | | | | | | | | |
| and Insurance | | | 893 | — | — | | | |
| „ Bank Charges | | | 138 | — | — | | | |
| „ Directors' Fees . . . | | | 200 | — | — | | | |
| „ Debenture Interest . . | | | 300 | — | — | | | |
| „ Sundry Expenses . . . | | | 186 | — | — | | | |
| „ Bad Debts | | | 98 | — | — | | | |
| „ Discount Reserve on | | | | | | | | |
| Debtors (5% of | | | | | | | | |
| £8,240) | | | 412 | — | — | | | |
| „ Depreciation— | | | | | | | | |
| Fixed Plant and | | | | | | | | |
| Machinery (5% of | | | | | | | | |
| £5,920) | 296 | — | | | | | | |
| Loose Tools, etc. | | | | | | | | |
| (7½% of £2,280) . . | 171 | — | | | | | | |
| | | | 467 | — | — | | | |
| „ Bal., Net Profit . . . | | | 811 | — | — | | | |
| | | | £5,622 | — | — | | £5,622 | — |

BALANCE SHEET AS AT 31ST MARCH, 19..

| CAPITAL AND LIABILITIES | | | | PROPERTY AND ASSETS | | | | | |
|---|----------------|-------|--------|---------------------|----------------------------------|--------------------------------------|-------|----------------|-------|
| | £ | s. d. | £ | s. d. | | £ | s. d. | £ | s. d. |
| <i>Nominal Capital—</i> | | | | | | <i>Freehold Land and Buildings</i> | | | |
| 10,000 6% Preference Shares of £1 each | 10,000 | — | | | | | | 8,650 | — |
| 15,000 Ordinary Shs. of £1 each | 15,000 | — | | | <i>Fixed Plant and Machinery</i> | 5,920 | — | | |
| | | | | | <i>Less Depreciation</i> | 296 | — | | |
| | <u>£25,000</u> | — | | | | | | 5,624 | — |
| <i>Issued Capital—</i> | | | | | | <i>Fixtures and Office Furniture</i> | | | |
| 10,000 6% Preference Shares, fully paid | | | 10,000 | — | | | | 250 | — |
| 15,000 Ordinary Shs., fully paid | | | 15,000 | — | <i>Goodwill</i> | | | 5,000 | — |
| | | | | | <i>Loose Tools and Utensils</i> | 2,280 | — | | |
| | | | | | <i>Less Depreciation</i> | 171 | — | | |
| | | | | | | | | 2,109 | — |
| | | | | | <i>Stock.</i> | | | 8,102 | — |
| | | | | | <i>Sundry Debtors</i> | 8,240 | — | | |
| | | | | | <i>Less Disct. Reserve</i> | 412 | — | | |
| 5% Debentures | | | | | | | | 7,828 | — |
| Bank Overdraft | | | | | <i>Bills Receivable</i> | | | 971 | — |
| Sundry Creditors | | | | | <i>Cash in Hand</i> | | | 82 | — |
| Comms. of I.R.— | | | | | | | | | |
| I.T. on Debenture Int. | | | | | | | | | |
| Reserve | | | | 45 | — | | | | |
| | | | | 1,000 | — | | | | |
| <i>Profit and Loss Account—</i> | | | | | | | | | |
| Bal., 1st April | | 974 | — | | | | | | |
| Add Current Year's Profit | | 811 | — | | | | | | |
| | | | | 1,785 | — | | | | |
| | | | | <u>£38,616</u> | — | | | <u>£38,616</u> | — |

EXERCISE XV (G)—No. 23.

| <i>Dr.</i> | | BAD DEBTS ACCOUNT | | | <i>Cr.</i> | | |
|-----------------|---|-------------------|----|----|-----------------|---|---------|
| | | £ | s. | d. | | £ s. d. | |
| 1935 Dec. 31 | To C. D. | 60 | - | - | 1935 Dec. 31 | By Profit and Loss Acct. | 210 - - |
| | " E. F. | 95 | - | - | | | |
| | " Bad Debts Reserve, 5 per cent on £1,100 . | 55 | - | - | | | |
| | | £210 | - | - | | £210 | - - |
| 1936 Dec. 31 | To Bad Debts Reserve, 5 per cent on £2,500 . | 125 | - | - | 1936 Dec. 31 | By Transfer from Bad Debts Reserve . . . | 55 - - |
| | | £125 | - | - | | " Profit and Loss Account | 70 - - |
| | | | | | | £125 | - - |
| 1937 Dec. 31 | To G. H. | 50 | - | - | 1937 Dec. 31 | By Transfer from Bad Debts Reserve . . . | 125 - - |
| | " L. J. | 60 | - | - | | " Profit and Loss Account | 60 - - |
| | " Bad Debts Reserve, 5 per cent on £1,500 . | 75 | - | - | | | |
| | | £185 | - | - | | £185 | - - |

| <i>Dr.</i> | | BAD DEBTS RESERVE ACCOUNT | | | | | <i>Cr.</i> | | |
|-----------------|----------------------|---------------------------|----|----|-----------------|---|------------|----|----|
| 1936 Dec. 31 | To Bad Debts Account | £ | s. | d. | 1935 Dec. 31 | By Bad Debts Reserve, 5 per cent on £1,100 | £ | s. | d. |
| | | 55 | - | - | | | 55 | - | - |
| 1937 Dec. 31 | To Bad Debts Account | 125 | - | - | 1936 Dec. 31 | By Bad Debts 5 per cent on £2,500 | 125 | - | - |
| | | | | | 1937 Dec. 31 | By Bad Debts, 5 per cent on £1,500 | 75 | - | - |

EXERCISE XV (G)—No. 24.

Dr. PROFIT AND LOSS ON REALIZATION ACCOUNT *Cr.*

| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
|------|--|--------|-------|------|------------------------------|--------|-------|
| | To Realization Account (Liabilities, £25,663 Less Assets, £21,822½) | 3,840 | 10 - | | By <i>Capital Accounts</i> — | | |
| | | | | | R, ¼ of Loss. | 960 | 2 6 |
| | | | | | S, ½ of Loss. | 1,920 | 5 - |
| | | | | | T, ¼ of Loss. | 960 | 2 6 |
| | | £3,840 | 10 - | | | £3,840 | 10 - |

Dr. CASH ACCOUNT *Cr.*

| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
|------|------------------------|---------|-------|------|-----------------------------|---------|-------|
| | To Realization Account | 21,050 | - - | | By Sundry Creditors | 5,500 | - - |
| | | | | | „ R's Loan Account | 2,163 | - - |
| | | | | | „ <i>Capital Accounts</i> — | | |
| | | | | | R : : : | 8,981 | 1 - |
| | | | | | S : : : | 4,405 | 19 - |
| | | £21,050 | - - | | | £21,050 | - - |

Dr. R's LOAN ACCOUNT ✓ *Cr.*

| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
|------|---------------|--------|-------|------|---|--------|-------|
| | To Cash . . . | 2,163 | - - | | By Balance of Loan and Share of Profit | 2,100 | - - |
| | | | | | „ Interest @ 6% | 63 | - - |
| | | £2,163 | - - | | | £2,163 | - - |

Dr. R's CAPITAL ACCOUNT *Cr.*

| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
|------|---|---------|-------|------|------------------|---------|-------|
| | To Share of Loss on Realization . . . | 960 | 2 6 | | By Balance . . . | 11,000 | - - |
| | „ Share of T's Over- drawn Account . . | 1,058 | 16 6 | | | | |
| | „ Cash . . . | 8,981 | 1 - | | | | |
| | | £11,000 | - - | | | £11,000 | - - |

Dr. S's CAPITAL ACCOUNT *Cr.*

| 19.. | | £ | s. d. | 19.. | | £ | s. d. |
|------|---|--------|-------|------|------------------|--------|-------|
| | To Share of Loss on Realization . . . | 1,920 | 5 - | | By Balance . . . | 7,000 | - - |
| | „ Share of T's Over- drawn Account . . | 673 | 16 - | | | | |
| | „ Cash . . . | 4,405 | 19 - | | | | |
| | | £7,000 | - - | | | £7,000 | - - |

EXERCISE XV (G)—No. 24 (*contd.*).

A COMPANY LIMITED

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES | £ | s. | d. | £ | s. | d. | PROPERTY AND ASSETS | £ | s. | d. | £ | s. | d. |
|--|--------|----|----|----------|----|----|--|-------|----|----|----------|----|----|
| <i>Nominal Capital—</i> | | | | | | | Freehold Works . | 1,972 | 10 | — | 2,500 | — | — |
| 10,000 Shares of £1 each | 10,000 | — | — | | | | Plant & Machinery Less Depreciation | 197 | 5 | — | 1,775 | 5 | — |
| <i>Issued Capital—</i> | | | | | | | Horses and Carts . | 516 | 10 | — | | | |
| 8,000 Shares of £1 each, fully paid | | | | 8,000 | — | — | Less Depreciation | 100 | — | — | 416 | 10 | — |
| Bank Loan . . . | | | | 1,000 | — | — | Fixtures & Fittings | 947 | 6 | 8 | | | |
| Sundry Creditors . | | | | 5,416 | 10 | — | Less Depreciation | 47 | 7 | 4 | | | |
| General Manager's Commission . . . | | | | 227 | 5 | 9 | Goodwill | | | | 899 | 19 | 4 |
| Works Manager's Commission . . . | | | | 90 | — | — | Stock | | | | 3,000 | — | — |
| <i>Profit & Loss A/c—</i> | | | | | | | Sundry Debtors . | 7,814 | 10 | — | 2,962 | 9 | 7 |
| Bal. available . . | | | | 5,061 | 15 | 3 | Less Bad Debts Reserve | 390 | 14 | 6 | | | |
| | | | | | | | Cash at Bank . . . | 754 | 1 | 5 | 7,423 | 15 | 6 |
| | | | | | | | Cash in Hand . . . | 14 | 10 | 2 | | | |
| | | | | | | | Unexpired Rates & Insurance | | | | 768 | 11 | 7 |
| | | | | | | | | | | | 49 | — | — |
| | | | | £ 19,795 | 11 | — | | | | | £ 19,795 | 11 | — |

EXERCISE XV (G)—No. 25.

TRADING AND PROFIT AND LOSS ACCOUNTS OF ROSE,
PINK, & LILLEY,

Dr.

FOR THE YEAR ENDED 31ST MARCH, 1937

Cr.

| | £ | s. | d. | £ | s. | d. | | £ | s. | d. |
|---|-------|----|----|----------------|----|----|---|----------------|----|----|
| To Stock, 31st March, 1936 | | | | 6,291 | — | — | By Sales | 45,691 | — | — |
| „ Purchases | | | | 37,059 | — | — | „ Stock, 31st March, 1937 | 5,217 | — | — |
| „ Gross Profit carried to Section II | | | | 7,558 | — | — | | | | |
| | | | | <u>£50,908</u> | — | — | | <u>£50,908</u> | — | — |
| To Salaries & Wages | | | | 1,825 | — | — | By Gross Profit from Section I | 7,558 | — | — |
| „ Heating and Lighting | | | | 86 | — | — | | | | |
| „ Telephone and Insurance | | | | 59 | — | — | | | | |
| „ Office Expenses | | | | 113 | — | — | | | | |
| „ Van Expenses | | | | 190 | — | — | | | | |
| „ Rent and Rates | | | | 475 | — | — | | | | |
| „ Postages and Stationery | | | | 102 | — | — | | | | |
| „ Advertising | | | | 348 | — | — | | | | |
| „ Bank Charges | | | | 84 | — | — | | | | |
| „ Bad Debts | | | | 329 | — | — | | | | |
| „ Depreciation of Vans | 140 | — | — | | | | | | | |
| „ Depreciation of Furniture and Fittings | 135 | — | — | | | | | | | |
| | | | | 275 | — | — | | | | |
| „ Net Trading Profit carried to Section III | | | | 3,672 | — | — | | | | |
| | | | | <u>£7,558</u> | — | — | | <u>£7,558</u> | — | — |
| To Interest on Capital | | | | | | | By Net Trading Profit from Section II | 3,672 | — | — |
| Rose | 312 | — | — | | | | | | | |
| Pink | 168 | — | — | | | | | | | |
| | | | | 480 | — | — | | | | |
| „ Net Profit— | | | | | | | | | | |
| Rose | 1,596 | — | — | | | | | | | |
| Pink | 1,064 | — | — | | | | | | | |
| Lilley | 532 | — | — | | | | | | | |
| | | | | 3,192 | — | — | | | | |
| | | | | <u>£3,672</u> | — | — | | <u>£3,672</u> | — | — |

BALANCE SHEET OF ROSE, PINK, & LILLEY, AS AT 31ST MARCH, 1937

596

SMITH'S BOOKS
JOINT ADVENTURE WITH BROWN

| <i>Dr.</i> | | <i>Cr.</i> | |
|--|--------------|------------|--------|
| | | | |
| | Amount | Interest | Months |
| 1935 | £ s. d. | £ s. d. | |
| Dec. 31 To Purchase of Timber | 4,000 — — | 100 — — | 6 |
| 1936 | | | |
| Jan. 1 " Dock and Wharfage Charges | 70 — — | 1 15 — | " |
| June 30 " Balance of Interest | 76 15 — | | |
| " Share of Profit | 972 — 10 | | |
| | £5,118 15 10 | £101 15 — | |

BROWN'S BOOKS

| <i>Dr.</i> | | <i>Cr.</i> | |
|---|-------------|------------|--------|
| | | | |
| | Amount | Interest | Months |
| 1935 | £ s. d. | £ s. d. | |
| Dec. 31 To Acceptance at 3 m/d. due 3rd April, 1936 | 2,000 — — | 25 — — | 3 |
| 1936 | | | |
| Jan. 1 " Expenses | 110 — — | 16 8 — | |
| June 30 " Balance of Interest | 972 — 10 | | |
| " Share of Profit | 3,118 15 10 | | |
| " Cheque to Smith | £6,200 16 8 | £25 16 8 | |

JOINT VENTURE ACCOUNT BETWEEN SMITH AND BROWN

| | £ | s. | d. | £ | s. | d. |
|---|-------------|----|----|-------------|----|----|
| Sale of Timber | | | | 6,200 | — | — |
| Cost of Timber | 4,000 | — | — | | | |
| Dock and Wharfage Charges paid by Smith | 70 | — | — | | | |
| Expenses paid by Brown | 110 | — | — | | | |
| Interest due to Smith | 76 15 | — | | | | |
| Interest due from Brown | | | | | 16 | 8 |
| Half Profit due to Smith | 4,256 | 15 | — | 6,200 | 16 | 8 |
| Half Profit due to Brown | 972 | — | 10 | | | |
| | £6,200 16 8 | | | £6,200 16 8 | | |

EXERCISE XV (G)—No. 27.

Dr.

CONTRACT ACCOUNT

C

| | £ | s. | d. | | £ | s. | d. |
|---|---------|----|----|---|---------|----|----|
| To Materials Purchased and Delivered direct to Contract Site. | | | | | | | |
| " Materials from General Stores | 5,863 | — | — | By Amount certified by Architect, excluding 20 per cent retention money | 12,000 | — | — |
| " Plant Transferred from Other Contracts | 978 | — | — | " Value of Work done represented by Retention Money | 3,000 | — | — |
| " Plant Purchased for this Contract | 1,250 | — | — | " Materials on Site and unused | 1,021 | — | — |
| " Wages | 350 | — | — | " Plant on Site at Valuation | 1,480 | — | — |
| " Direct Expenses | 7,536 | — | — | | | | |
| " Proportion of Establishment and Other Charges | 220 | — | — | | | | |
| " Profit on Contract to date | 870 | — | — | | | | |
| | 434 | — | — | | | | |
| | £17,501 | — | — | | £17,501 | — | — |

In view of the fact that the contract is only about half completed it is thought that an ample margin for contingencies should be allowed for, and that at least one-third of the profit to date should be carried forward. There may be reasons in favour of this, such as labour costs not anticipated when the contract was taken.

BRUCE BROS. & CO.
BALANCE SHEET AS AT 31ST DECEMBER, 19..

599

EXERCISE XV (G)—No. 29.

CHATENAY'S BOOKS

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---|-----|----------|----|----|----------|----|----|
| Business Purchase Account | Dr. | 120,000 | — | — | | | |
| To Vendor (Abel Chatenay) | | | | | 120,000 | — | — |
| Freehold Works | Dr. | 36,000 | — | — | | | |
| Machinery and Plant | Dr. | 37,860 | — | — | | | |
| Sundry Debtors | Dr. | 18,764 | — | — | | | |
| Stock | Dr. | 22,440 | — | — | | | |
| Cash in hand | Dr. | 976 | — | — | | | |
| Goodwill | Dr. | 20,000 | — | — | | | |
| To Business Purchase Account | | | | | 136,040 | — | — |
| Business Purchase Account | Dr. | 16,040 | — | — | | | |
| To Sundry Creditors | | | | | 14,040 | — | — |
| „ Bank Loan | | | | | 2,000 | — | — |
| Vendor (Abel Chatenay) | | 90,000 | — | — | | | |
| To Ordinary Share Capital | | | | | 40,000 | — | — |
| Issue of 40,000 ordinary shares of £1 each, fully paid, in part payment of purchase price of business. | | | | | | | |
| To 6% Preference Share Capital | | | | | 50,000 | — | — |
| Issue of 50,000 6% preference shares of £1 each, fully paid, in part payment of purchase price of business. | | | | | | | |
| | | £362,080 | — | — | £362,080 | — | — |

LEDGER

| Dr. | | | | BANK ACCOUNT | | | | Cr. | | | |
|--------------------------------------|--|----------|----|--------------|-------------------------|--|----------|-----|----|--|--|
| To Ordinary Share Capital | | £ | s. | d. | By Vendor | | £ | s. | d. | | |
| „ Preference Share Capital | | 60,000 | — | — | „ Balance c/d | | 30,000 | — | — | | |
| | | 50,000 | — | — | | | 80,000 | — | — | | |
| | | £110,000 | — | — | | | £110,000 | — | — | | |
| To Balance b/d | | £80,000 | — | — | | | | | | | |

| Dr. | | | | BUSINESS PURCHASE ACCOUNT | | | | Cr. | | | |
|-----------------------------------|--|----------|----|---------------------------|-----------------------------|--|----------|-----|----|--|--|
| To Vendor (A. Chatenay) | | £ | s. | d. | By Freehold Works | | £ | s. | d. | | |
| „ Sundry Creditors | | 120,000 | — | — | „ Machinery, etc. | | 36,000 | — | — | | |
| „ Bank Loan | | 14,040 | — | — | „ Sundry Debtors | | 37,860 | — | — | | |
| | | 2,000 | — | — | „ Stock | | 18,764 | — | — | | |
| | | | | | „ Cash in hand | | 22,440 | — | — | | |
| | | | | | „ Goodwill | | 976 | — | — | | |
| | | | | | | | 20,000 | — | — | | |
| | | £136,040 | — | — | | | £136,040 | — | — | | |

EXERCISE XV (G)—No. 29 (contd.).

CHATENAY'S, LTD.

BALANCE SHEET AS AT.....

| CAPITAL AND LIABILITIES | | PROPERTY AND ASSETS | | | | | |
|---|--|---------------------|----|----------|----|----------|----|
| | | £ | s. | £ | s. | £ | s. |
| <i>Nominal Capital—</i> | | | | | | | |
| 100,000 Ordinary Shares of £1 each | | 100,000 | — | | | 36,000 | — |
| 100,000 6% Preference Shares of £1 each | | 100,000 | — | | | 37,860 | — |
| | | | | | | 20,000 | — |
| | | | | | | 22,440 | — |
| | | | | | | 18,764 | — |
| | | | | | | 976 | — |
| | | | | | | 80,000 | — |
| <i>Issued Capital—</i> | | | | | | | |
| 100,000 Ordinary Shares of £1 each, fully paid | | | | 100,000 | — | | |
| 100,000 6% Preference Shares of £1 each, fully paid | | | | 100,000 | — | | |
| Bank Loan | | | | 2,000 | — | | |
| Sundry Creditors | | | | 14,040 | — | | |
| | | | | £216,040 | — | £216,040 | — |

EXERCISE XV (G)—No. 29 (*contd.*).

| <i>Dr.</i> VENDOR'S (ABEL CHATENAY) ACCOUNT | | | | <i>Cr.</i> | | | |
|---|---|---------|-------|------------------------------|---|---------|-------|
| To Cash | £ | 30,000 | s. d. | By Business Purchase Account | £ | 120,000 | s. d. |
| „ Ordinary Share Capital | | 40,000 | | | | | |
| „ Pref. Share Capital | | 50,000 | | | | | |
| | £ | 120,000 | | | £ | 120,000 | |

| <i>Dr.</i> ORDINARY SHARE CAPITAL ACCOUNT | | | | <i>Cr.</i> | | | |
|---|---|---------|-------|----------------|---|---------|-------|
| To Balance c/d | £ | 100,000 | s. d. | By Vendor | £ | 40,000 | s. d. |
| | | | | „ Cash | | 60,000 | |
| | £ | 100,000 | | | £ | 100,000 | |
| | | | | By Balance b/d | £ | 100,000 | |

| <i>Dr.</i> 6% PREFERENCE SHARE CAPITAL ACCOUNT | | | | <i>Cr.</i> | | | |
|--|---|---------|-------|----------------|---|---------|-------|
| To Balance c/d | £ | 100,000 | s. d. | By Vendor | £ | 50,000 | s. d. |
| | | | | „ Cash | | 50,000 | |
| | £ | 100,000 | | | £ | 100,000 | |
| | | | | By Balance b/d | £ | 100,000 | |

EXERCISE XV (G)—No. 30.

X CO., LTD.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES | | | PROPERTY AND ASSETS | | |
|-------------------------------------|--------|--------|--|--------|--------|
| <i>Nominal Capital—</i> | £ | s. d. | Property | £ | s. d. |
| 60,000 Shares of £1 each | 60,000 | | Stock | 26,000 | |
| | | | Goodwill (equal to Two Years' Purchase of average profits) | 8,000 | |
| <i>Issued Capital—</i> | | | Debtors | 7,000 | |
| 47,590 Shares of £1 each fully paid | 47,590 | | Cash at Bank | 7,000 | |
| Sundry Creditors | 3,000 | | Preliminary Expenses | 590 | |
| | £ | 50,590 | | £ | 50,590 |

Preliminary Expenses, in this case, consists of—

- Cost of registration.
- Law costs.
- Printing and stationery.

EXERCISE XV (G)—No. 31.

PERRY & KNOWLES, LTD.

Dr. TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 19.. Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. | |
|---|---|----|----|----------|----|----|---------------------------------|----------|----|---|
| To Brewing Materials | | | | 30,244 | 6 | 4 | By Sales—Less Returns | | | |
| " Beer Duty | | | | 2,823 | 2 | 8 | " Stocks— | | | |
| " Wages | | | | 3,040 | 8 | 2 | Brewing Materials | 7,973 | 2 | 4 |
| " Balance, Gross Profit c/d | | | | 22,223 | — | 4 | Sundries | 614 | 12 | 3 |
| | | | | £ 58,330 | 17 | 6 | | | | |
| | | | | | | | | £ 8,587 | 14 | 7 |
| To Trade Defence Fund (½ of £75 W/o) | | | | 37 | 10 | — | By Trading Account | | | |
| " Commissions | | | | 234 | 16 | — | Rent | | | |
| " Discounts | | | | 314 | 4 | 2 | " Bad Debts Recovered | 22,223 | — | 4 |
| " Compensation Charges | | | | 437 | 5 | — | " | 5,614 | 13 | — |
| " Interest on Debentures | | | | | | | " | 112 | 16 | 8 |
| " Add ½ Year's accrued | | | | 2,137 | 10 | — | | | | |
| | | | | 2,250 | — | | | | | |
| " Railway Claims W/o | | | | | | | | | | |
| " Income Tax | | | | | | | | | | |
| " Directors' Fees | | | | | | | | | | |
| " General Trade Expenses | | | | 8,214 | 6 | 4 | | | | |
| " Less Rates unexpired | | | | 150 | — | | | | | |
| | | | | | | | | | | |
| " Depreciation— | | | | | | | | | | |
| Barrels (15% of £3,106/8/10) | | | | 465 | 19 | 4 | | | | |
| Horses, Drays, etc. (9% of £2,114/12/2) | | | | 190 | 6 | 4 | | | | |
| Plant, etc. (7½% of £7,104/2/9) | | | | 532 | 16 | 2 | | | | |
| Furniture and Fittings (5% of £207/6/4) | | | | 10 | 7 | 4 | | | | |
| " Balance, Net Profit c/d | | | | | | | | | | |
| | | | | £ 27,950 | 10 | — | | | | |
| | | | | | | | | £ 27,950 | 10 | — |

Dr. APPROPRIATION ACCOUNT Cr.

| | | | | | | | |
|--------------------------------------|----------|----|----|----------------------------------|----------|----|----|
| To Dividends Paid | £ | s. | d. | By Balance, 1st Jan. | £ | s. | d. |
| " Balance to Balance Sheet | 17,977 | 15 | 4 | " Current Year's Profit. | 16,814 | 12 | 1 |
| | 10,516 | 14 | 5 | | 11,579 | 17 | 8 |
| | £ 28,494 | 9 | 9 | | £ 28,494 | 9 | 9 |

EXERCISE XV (G)—No. 31 (contd.).

PERRY & KNOWLES, LTD.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | | | | | PROPERTY AND ASSETS. | | | | | |
|------------------------------------|---|---|----------|----|----|----------------------|----|----|----------|----|----|
| <i>Nominal Capital—</i> | | | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| 6% Preference Shares | . | . | 250,000 | — | — | 526,672 | 18 | 4 | 528,080 | 15 | 3 |
| Ordinary Shares | . | . | 250,000 | — | — | 1,407 | 16 | 11 | 16,111 | 19 | 4 |
| | | | £500,000 | — | — | 7,104 | 2 | 9 | | | |
| | | | | — | — | 532 | 16 | 2 | | | |
| <i>Issued Capital—</i> | | | 249,610 | — | — | 3,106 | 8 | 10 | 6,571 | 6 | 7 |
| 6% Preference Shares | . | . | 250,000 | — | — | 465 | 19 | 4 | | | |
| Ordinary Shares | . | . | | — | — | 2,114 | 12 | 2 | 2,640 | 9 | 6 |
| Forfeited Shares Account | . | . | | — | — | 190 | 6 | 4 | | | |
| 4½% Debenture Stock | . | . | | — | — | 207 | 6 | 4 | 1,924 | 5 | 10 |
| Debiture Interest accrued | . | . | | — | — | 10 | 7 | 4 | | | |
| Mortgages on Licensed Property | . | . | | — | — | | | | | | |
| Trade Fund | . | . | | — | — | | | | | | |
| Reserve Fund | . | . | | — | — | | | | | | |
| Stock Credits | . | . | | — | — | | | | | | |
| Profit and Loss Account— | . | . | | — | — | | | | | | |
| Balance available for distribution | . | . | | — | — | | | | | | |
| | | | 499,610 | — | — | 7,973 | 2 | 4 | 198 | 19 | — |
| | | | 28 | — | — | 614 | 12 | 3 | 22,377 | 18 | — |
| | | | 100,000 | — | — | | | | | | |
| | | | 2,250 | — | — | 28,714 | 12 | 1 | 8,597 | 14 | 7 |
| | | | 3,850 | — | — | 200 | — | — | | | |
| | | | 10,000 | — | — | | | | 28,514 | 12 | 1 |
| | | | 6,325 | 4 | 7 | 9,611 | 18 | 4 | | | |
| | | | 10,516 | 14 | 5 | 800 | — | — | | | |
| | | | | — | — | 3,797 | 8 | 9 | 8,811 | 18 | 4 |
| | | | | — | — | 34 | 3 | 11 | | | |
| | | | | — | — | | | | 3,831 | 12 | 8 |
| | | | | — | — | | | | 4,305 | 12 | 6 |
| | | | | — | — | | | | 37 | 10 | — |
| | | | | — | — | | | | 437 | 5 | — |
| | | | | — | — | | | | 150 | — | — |
| | | | | — | — | | | | £632,579 | 19 | — |

EXERCISE XV (G)—No. 32.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|---|----------|----|----|----------|----|----|
| July 1 | Freehold Buildings | 20,000 | — | — | | | |
| | Buildings | 15,000 | — | — | | | |
| | Plant, etc. | 17,500 | — | — | | | |
| | Work in Progress | 22,500 | — | — | | | |
| | Stocks | 20,000 | — | — | | | |
| | Sundry Debtors | 14,250 | — | — | | | |
| | Bank | 5,735 | — | — | | | |
| | Cash | 15 | — | — | | | |
| | To Vendor Account | | | | 100,000 | — | — |
| | „ Sundry Creditors | | | | 3,050 | — | — |
| | „ Capital Reserve | | | | 11,950 | — | — |
| | Assets and Liabilities taken over as at this date. | | | | | | |
| | | £115,000 | — | — | £115,000 | — | — |

EXERCISE XV (G)—No. 33.

JOURNAL

| | £ | s. | d. | £ | s. | d. |
|---|--------|----|----|--------|----|----|
| Share Capital Account Dr. | 18,750 | — | — | | | |
| To Profit and Loss Account | | | | 18,750 | — | — |
| Reduction of 75,000 Shares of £1 each, fully paid to 75,000 Shares of 15s. each, fully paid, as per Order of the Court, dated | | | | | | |

THE BLANK CO., LTD., AND REDUCED
BALANCE SHEET AS AT 31ST DECEMBER, 19..

606

EXERCISE XV (G)—No. 36.

HEAD OFFICE JOURNAL

| 19.. | | £ | | s. d. | | £ | | s. d. | |
|------|--------------------------------------|----------|--|-------|---|--------|--|-------|---|
| | | | | | | | | | |
| | Australian Manager | 5,000 | | — | — | 5,000 | | — | — |
| | To Bank | | | | | | | | |
| | Capital Expenditure Account—WAGES. | 1,000 | | — | — | 1,000 | | — | — |
| | To Australian Manager | | | | | | | | |
| | Capital Expenditure | 500 | | — | — | 500 | | — | — |
| | To Stores Account | | | | | | | | |
| | <i>Mining and Milling Account—</i> | | | | | | | | |
| | Wages £1,200 | | | | | | | | |
| | Salaries 500 | | | | | | | | |
| | Sundry Expenses 200 | | | | | | | | |
| | | 1,900 | | — | — | | | | |
| | Stores Account | 1,500 | | — | — | 3,400 | | — | — |
| | To Australian Manager | | | | | | | | |
| | Mining and Milling Account | 700 | | — | — | 700 | | — | — |
| | To Stores Account | | | | | | | | |
| | Australian Manager | 2,400 | | — | — | 2,400 | | — | — |
| | To Bullion (Sales) | | | | | | | | |
| | Bullion (Stock) | 500 | | — | — | 500 | | — | — |
| | To Bullion (Stock) | | | | | | | | |
| | | £ 13,500 | | — | — | 13,500 | | — | — |

EXERCISE XV (G)—No. 37.

THE WAYSIDE BOOT CO., LTD.

| Dr. TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 19.. Cr. | | | | | | | | | |
|--|--------|----|----|----------|----|----|----------|-----|----|
| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| To Stocks, 1st Jan.— | 11,264 | — | — | | | | 131,276 | 946 | — |
| Finished Goods | 8,457 | — | — | | | | — | — | — |
| Materials and Unfinished Goods | — | — | — | 19,721 | — | — | — | — | — |
| By Sales, | 97,651 | — | — | | | | — | — | — |
| Less Returns Outward | 1,243 | — | — | | | | — | — | — |
| Carriage Inwards | 3,460 | — | — | 96,408 | — | — | 13,241 | — | — |
| Add Carriage owing | 472 | — | — | | | | 5,192 | — | — |
| Wages of Factory | 7,299 | — | — | 3,932 | — | — | — | — | — |
| Less Amount Paid in Advance | 84 | — | — | | | | — | — | — |
| Gas, Electricity, and Water | — | — | — | 7,215 | — | — | — | — | — |
| Boxes and Packing | — | — | — | 1,567 | — | — | — | — | — |
| Balance, Gross Profit | — | — | — | 674 | — | — | — | — | — |
| | | | | 19,246 | — | — | — | — | — |
| | | | | £148,763 | — | — | £148,763 | — | — |
| To Rent, Rates, Taxes, and Insurance | 1,173 | — | — | | | | 19,246 | — | — |
| Add Rent due | 150 | — | — | | | | 1,978 | — | — |
| | 1,323 | — | — | | | | — | — | — |
| Less Insurance unexpired | 197 | — | — | | | | 1 | 10 | — |
| Manager's Salary | 1,126 | — | — | | | | — | — | — |
| Repairs to Machinery, etc. | 1,500 | — | — | | | | — | — | — |
| Stable Expenses | 293 | — | — | | | | — | — | — |
| General Expenses | 421 | — | — | | | | — | — | — |
| Postages and Stationery | 939 | — | — | | | | — | — | — |
| Office Salaries | 444 | — | — | | | | — | — | — |
| Advertising | 4,216 | — | — | | | | — | — | — |
| Interest on Debentures | 470 | — | — | | | | — | — | — |
| Directors' Fees | 238 10 | — | — | | | | — | — | — |
| Discounts Allowed | 250 | — | — | | | | — | — | — |
| Bad Debts | 1,251 | — | — | | | | — | — | — |
| Cost of Trade Catalogues | 315 | — | — | | | | — | — | — |
| Bank Charges | 256 | — | — | | | | — | — | — |
| Audit Fee and Legal Charges | 17 | — | — | | | | — | — | — |
| Bad Debts Reserve (amount provided) | 274 | — | — | | | | — | — | — |
| Depreciation— | 750 | — | — | | | | — | — | — |
| Land and Buildings (2½% of £18,442) | 461 1 | — | — | | | | — | — | — |
| Machinery, etc. (10% of £7,455) | 745 10 | — | — | | | | — | — | — |
| Horses and Vans | 146 | — | — | | | | — | — | — |
| Balance, Net Profit c/d | — | — | — | 1,352 11 | — | — | £21,225 | 10 | — |
| | | | | 7,112 9 | — | — | — | — | — |
| | | | | £21,225 | 10 | — | £21,225 | 10 | — |

EXERCISE XV (G)—No. 37 (contd.).

THE WAYSIDE BOOT CO., LTD.

APPROPRIATION ACCOUNT

Cr.

| Dr. | £ | s. | d. | £ | s. | d. |
|--------------------------------|--------|----|----|---------------------------|----|----|
| To Balance, 1st Jan. | 1,236 | — | — | By Current Year's Profit. | — | — |
| " Contribution to Pension Fund | 500 | — | — | | | |
| " Bonus Paid to Employees | 763 | — | — | | | |
| " Balance to Balance Sheet | 4,613 | 9 | — | | | |
| | £7,112 | 9 | — | | | |
| | £7,112 | 9 | — | | | |

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | £ | s. | d. | £ | s. | d. |
|---|--------|----|----|---|---------|----|
| <i>Nominal Capital—</i> | | | | | | |
| 10,000 Preference Shares of £1 each | 10,000 | — | — | Freehold Land and Buildings | 18,442 | — |
| 800,000 Ordinary Shares of 1/- each | 40,000 | — | — | Less Depreciation | 461 | 1 |
| | | | | | | |
| | 50,000 | — | — | Machinery and Plant | 7,455 | — |
| | 10,000 | — | — | Less Depreciation | 745 | 10 |
| | 35,820 | — | — | Horses and Vans | 946 | — |
| | | | | Less Depreciation | 146 | — |
| <i>Issued Capital—</i> | | | | | | |
| 10,000 Preference Shares of £1 each, fully paid | 45,820 | — | — | Goodwill | — | — |
| 716,400 Ordinary Shares of 1/- each, fully paid | 5,000 | — | — | Socks | — | — |
| | 4,980 | — | — | Finished Goods | 13,241 | — |
| 100 5% Debentures of £50 each | 2,162 | — | — | Materials and Unfinished Goods | 5,192 | — |
| Pension Fund. | 11,747 | — | — | | | |
| Bills Payable | 150 | — | — | Sundry Debtors | 16,245 | — |
| Sundry Creditors | 472 | — | — | Less Bad Debts Reserve | 750 | — |
| Rent due | | | | | | |
| Carriage not paid | | | | Investments on Account of Pension Fund. | 15,495 | — |
| <i>Profit and Loss Account—</i> | | | | Bills Receivable | 4,540 | — |
| Balance available for distribution | 4,613 | 9 | — | Cash at Bank (Pension Fund) | 1,931 | — |
| | | | | Cash at Bank (Current) | 3,259 | — |
| | | | | Cash in hand | 75 | — |
| | | | | Wages Paid in Advance | 3,774 | — |
| | | | | Insurance unexpired | 84 | — |
| | | | | | 197 | — |
| | | | | | £74,944 | 9 |

EXERCISE XV (G)—No. 38.

BOOKS OF WYNNE CO., LTD.

Dr.

BUSINESS REALIZATION ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|------|------------------------------------|-----------------|----|----|------|---------------------------------------|-----------------|----|----|
| | To Sundry Assets | 261,352 | — | — | | By Sundry Creditors | 35,628 | — | — |
| | „ Cash | 600 | — | — | | „ Wyngarde Co., Ltd. | 232,500 | — | — |
| | (Expenses of Realization) | | | | | (Total of purchase price of business) | | | |
| | „ Debenture-holders. | 2,500 | — | — | | | | | |
| | (Premium on Debentures) | | | | | | | | |
| | „ Sundry Shareh'drs. | 3,676 | — | — | | | | | |
| | (Profit on Realization transf'r'd) | | | | | | | | |
| | | <u>£268,128</u> | — | — | | | <u>£268,128</u> | — | — |

Note.—The Purchase price of business is arrived at as under—

| | | |
|-----|--|-----------------|
| (1) | 150,000 fully-paid Shares of £1 each | 150,000 |
| (2) | Cash | 30,000 |
| (3) | Payment of Debentures at a premium of 5% | 52,500 |
| | TOTAL | <u>£232,500</u> |

Dr.

THE WYNGARDE CO., LTD.

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|------|-----------------------------|-----------------|----|----|------|-------------------|-----------------|----|----|
| | To Business Realization A/c | 232,500 | — | — | | By Shares A/c | 150,000 | — | — |
| | | | | | | „ Debentures | 50,000 | — | — |
| | | | | | | „ Debenture Prem. | 2,500 | — | — |
| | | | | | | „ Cash | 30,000 | — | — |
| | | <u>£232,500</u> | — | — | | | <u>£232,500</u> | — | — |

Dr.

SHARES ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|------|-----------------------|---------|----|----|------|----------------------|---------|----|----|
| | To Wyngarde Co., Ltd. | 150,000 | — | — | | By Shareholders | 150,000 | — | — |
| | (Shares received) | | | | | (Shares distributed) | | | |

Dr.

SHARE CAPITAL ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|------|----------------------|---------|----|----|------|----------------|---------|----|----|
| | To Sundry Shareh'drs | 150,000 | — | — | | By Balance b/f | 150,000 | — | — |

EXERCISE XV (G)—No. 38 (*contd.*).

| <i>Dr.</i> | | | | SUNDRY SHAREHOLDERS | | | | <i>Cr.</i> | | | |
|------------|--|----------|-------|---------------------|--------------------------------|----------|-------|------------|--|--|--|
| 19.. | To Shares A/c . . | £ | s. d. | 19.. | By Capital A/c . . | £ | s. d. | | | | |
| | " Cash . . | 150,000 | — — | | " Reserve A/c . . | 20,000 | — — | | | | |
| | (£30,000 less Expenses of Realization) | 29,400 | — — | | " Profit and Loss A/c . . | 5,724 | — — | | | | |
| | | | | | " Business Realization A/c . . | 3,676 | — — | | | | |
| | | | | | (Profit on Realization) | | | | | | |
| | | £179,400 | — — | | | £179,400 | — — | | | | |

| <i>Dr.</i> | | | | DEBENTURES ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|-----------------------|--------|-------|--------------------|--------------------|--------|-------|------------|--|--|--|
| 19.. | To Debenture-holders. | £ | s. d. | 19.. | By Balance b/f . . | £ | s. d. | | | | |
| | | 50,000 | — — | | | 50,000 | — — | | | | |

| <i>Dr.</i> | | | | DEBENTURE-HOLDERS' ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|-----------------------|---------|-------|----------------------------|--------------------------------|---------|-------|------------|--|--|--|
| 19.. | To Wyngarde Co., Ltd. | £ | s. d. | 19.. | By Debentures . . | £ | s. d. | | | | |
| | | 52,500 | — — | | " Business Realization A/c . . | 50,000 | — — | | | | |
| | | | | | (Prem. on Debs.) | 2,500 | — — | | | | |
| | | £52,500 | — — | | | £52,500 | — — | | | | |

The " Reserve Account " and the " Profit and Loss Account " are closed by transfer to the " Sundry Shareholders' Account."

| <i>Dr.</i> | | | | BOOKS OF GARDE CO., LTD. | | | | <i>Cr.</i> | | | |
|------------------------------|---|----------|-------|--------------------------|---------------------------------------|----------|-------|------------|--|--|--|
| BUSINESS REALIZATION ACCOUNT | | | | | | | | | | | |
| 19.. | To Sundry Assets . . | £ | s. d. | 19.. | By Sundry Creditors . . | £ | s. d. | | | | |
| | " Cash . . | 128,640 | — — | | " Wyngarde Co., Ltd. | 19,958 | — — | | | | |
| | (Expenses of Realization) | 450 | — — | | (Total of purchase price of business) | 110,000 | — — | | | | |
| | " Sundry Shareh'd'rs (Profit on Realization transfer'd) | 868 | — — | | | | | | | | |
| | | £129,958 | — — | | | £129,958 | — — | | | | |

Note.—The Purchase price of business is arrived at as under—

| | | |
|-----------------|--|-----------------|
| (1) | 100,000 fully-paid Shares of £1 each . . | £100,000 |
| (2) | Cash | 10,000 |
| TOTAL | | <u>£110,000</u> |

EXERCISE XV (G)—No. 38 (*contd.*).

Dr. THE WYNGARDE CO., LTD. *Cr.*

| <i>Dr.</i> | | £ | s. | d. | <i>Cr.</i> | | £ | s. | d. |
|------------|---------------------------------|-----------------|----|----|------------|-------------------|-----------------|----|----|
| 19.. | To Business Realization A/c . . | 110,000 | — | — | 19.. | By Shares A/c . . | 100,000 | — | — |
| | | | | | | „ Cash . . | 10,000 | — | — |
| | | <u>£110,000</u> | — | — | | | <u>£110,000</u> | — | — |

Dr. SHARES ACCOUNT *Cr.*

| <i>Dr.</i> | | £ | s. | d. | <i>Cr.</i> | | £ | s. | d. |
|------------|--|---------|----|----|------------|---|---------|----|----|
| 19.. | To Wyngarde Co., Ltd. (Shares received) | 100,000 | — | — | 19.. | By Sundry Sharehldrs (Shares dist'btd) | 100,000 | — | — |

Dr. SHARE CAPITAL ACCOUNT *Cr.*

| <i>Dr.</i> | | £ | s. | d. | <i>Cr.</i> | | £ | s. | d. |
|------------|-----------------------|---------|----|----|------------|--------------------|---------|----|----|
| 19.. | To Sundry Sharehldrs. | 100,000 | — | — | 19.. | By Balance b/f . . | 100,000 | — | — |

Dr. SUNDRY SHAREHOLDERS *Cr.*

| <i>Dr.</i> | | £ | s. | d. | <i>Cr.</i> | | £ | s. | d. |
|------------|-------------------------------------|-----------------|----|----|------------|--------------------------------|-----------------|----|----|
| 19.. | To Shares A/c . . | 100,000 | — | — | 19.. | By Capital A/c . . | 100,000 | — | — |
| | „ Cash . . | 9,550 | — | — | | „ Reserve A/c . . | 5,000 | — | — |
| | (£10,000 less £450 for Expenses) | | | | | „ Profit and Loss A/c . . | 3,682 | — | — |
| | | | | | | „ Business Realization A/c . . | 868 | — | — |
| | | | | | | (Profit on Realization) | | | |
| | | <u>£109,550</u> | — | — | | | <u>£109,550</u> | — | — |

The “Reserve Account” and the “Profit and Loss Account” are closed by transfer to the “Sundry Shareholders’ Account.”

BOOKS OF THE WYNGARDE CO., LTD.

Dr. LIQUIDATOR OF THE WYNNE CO., LTD. *Cr.*

| <i>Dr.</i> | | £ | s. | d. | <i>Cr.</i> | | £ | s. | d. |
|------------|----------------------------------|-----------------|----|----|------------|----------------------|-----------------|----|----|
| 19.. | To Creditors . . | 35,628 | — | — | 19.. | By Sundry Assets . . | 261,352 | — | — |
| | (Liabilities taken over) | | | | | „ Goodwill A/c . . | 6,776 | — | — |
| | „ Shares . . | 150,000 | — | — | | | | | |
| | (Part payment of Purchase price) | | | | | | | | |
| | „ Debentures (do.) . . | 52,500 | — | — | | | | | |
| | „ Cash (do.) . . | 30,000 | — | — | | | | | |
| | | <u>£268,128</u> | — | — | | | <u>£268,128</u> | — | — |

EXERCISE XV (G)—No. 38 (contd.).

THE WYNGARDE CO., LTD.
BALANCE SHEET

| CAPITAL AND LIABILITIES. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|----------------------------|----------|----|----|----------|----|----|----------|----|----|
| <i>Nominal Capital</i> — | | | | | | | | | |
| 400,000 Shares of £1 each | £400,000 | — | — | | | | 117,880 | — | — |
| <i>Issued Capital</i> — | | | | | | | 54,145 | — | — |
| 350,000 Shares of £1 each, | | | | | | | 69,196 | — | — |
| fully paid. | | | | | | | 45,094 | — | — |
| Sundry Creditors | | | | | | | 71,758 | — | — |
| | | | | 350,000 | — | — | 19,877 | — | — |
| | | | | 55,586 | — | — | 26,376 | — | — |
| | | | | £405,586 | — | — | 1,260 | — | — |
| | | | | | | | £405,586 | — | — |

Note.—The value of Goodwill as stated in the Balance Sheet is arrived at as follows—

| | |
|--|---------------|
| (1) Goodwill Account of the Wynne Co. | £ |
| (2) Goodwill Account of the Wynne Co. | 25,000 |
| (3) Balance of Liquidator of Wynne Co.'s Account | 12,000 |
| (4) Balance of Liquidator of Wynne Co.'s Account | 1,318 |
| | 6,776 |
| | <u>45,094</u> |

EXERCISE XV (G)—No. 39.

THE UNIT CO., LTD.
BALANCE SHEET AS AT 1st JULY, 19..

| CAPITAL AND LIABILITIES. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|----------------------------|----------|----|----|---------|----|----|---------|----|----|
| <i>Nominal Capital</i> — | | | | | | | | | |
| 150,000 Shares of £1 each. | £150,000 | — | — | | | | 95,000 | — | — |
| <i>Issued Capital</i> — | | | | | | | 1,000 | — | — |
| 98,000 Shares of £1 each. | | | | | | | 2,000 | — | — |
| | | | | | | | | | |
| | | | | 98,000 | — | — | | | |
| | | | | £98,000 | — | — | £98,000 | — | — |

EXERCISE XV (G)—No. 39 (*contd.*).

JOURNAL OF THE ESS CO., LTD.

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|---|-------|----|----|-------|----|----|
| July 1 | Investments Account Dr. To Cash Purchase of 1,500 Ordinary Shares of £1 each in the UNIT Co., LTD., by B (Manager). | 1,500 | - | - | 1,500 | - | - |

JOURNAL OF THE TEE CO., LTD.

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|---|-------|----|----|-------|----|----|
| July 1 | Investments Account Dr. To Cash Purchase of 1,500 Ordinary Shares of £1 each in the UNIT Co., LTD., by F (Manager). | 1,500 | - | - | 1,500 | - | - |

Note.—The purchase by THE UNIT Co., LTD., of the whole of the Ordinary Shares of both companies would be dealt with through the TRANSFER REGISTERS, etc., of the respective companies.

JOURNAL OF THE UNIT CO., LTD.

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|---|--------|----|----|--------|----|----|
| July 1 | Investments Account To Ordinary Share Capital Purchase of 50,000 Ordinary Shares of £1 each (at par) by the issue of 50,000 Ordinary Shares of £1 each, as fully paid, to the Ordinary Shareholders of the Ess Co., LTD. | 50,000 | - | - | 50,000 | - | - |
| " 1 | Investments Account To Ordinary Share Capital Purchase of 30,000 Ordinary Shares of £1 each (at a premium of 50%) by the issue of 45,000 Ordinary Shares of £1, as fully paid, to the ordinary share- holders of the TEE Co., LTD. | 45,000 | - | - | 45,000 | - | - |
| " 1 | B, Manager of the Ess Co., LTD. To Ordinary Share Capital Issue of 1,500 shares of £1 each. | 1,500 | - | - | 1,500 | - | - |

EXERCISE XV (G)—No. 39 (*contd.*).JOURNAL OF THE UNIT CO., LTD.—(*contd.*)

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|---|----------|----|----|----------|----|----|
| July 1 | F, Managing Director of the TEE Co., Ltd.. | 1,500 | — | — | 1,500 | — | — |
| | To Ordinary Share Capital | | | | | | |
| | Issue of 1,500 shares of £1 each. | | | | | | |
| " 1 | Bank | 3,000 | — | — | | | |
| | To B, Managing Director of Ess Co.. | | | | 1,500 | — | — |
| | " F, Managing Director of TEE Co. | | | | 1,500 | — | — |
| " 1 | Formation Expenses | 2,000 | — | — | | | |
| | To Bank | | | | 2,000 | — | — |
| | | £103,000 | — | — | £103,000 | — | — |

EXERCISE XV (G)—No. 40.

JOURNAL OF A CO., LTD.

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|--|---------|----|----|---------|----|----|
| Jan. 1 | Business Realization Account <i>Dr.</i> | 87,110 | — | — | | | |
| | To Goodwill | | | | 35,000 | — | — |
| | " Freehold Land & Buildings. | | | | 15,650 | — | — |
| | " Machinery and Plant | | | | 3,210 | — | — |
| | " Fixtures and Fittings | | | | 850 | — | — |
| | " Sundry Debtors. | | | | 10,990 | — | — |
| | " Stock | | | | 4,660 | — | — |
| | " Investments | | | | 14,650 | — | — |
| | " Cash at Bank, etc. | | | | 2,100 | — | — |
| | Sundry assets taken over by B Co. | | | | | | |
| " 1 | Sundry Creditors. <i>Dr.</i> | 7,650 | — | — | | | |
| | To Business Realization A/c | | | | 7,650 | — | — |
| | Trade liabilities taken over by B Co. | | | | | | |
| " 1 | B Co.. <i>Dr.</i> | 107,600 | — | — | | | |
| | To Business Realization A/c | | | | 107,600 | — | — |
| | Purchase price of business as per terms agreed to as at 1st Jan. | | | | | | |
| " 1 | Business Realization Account <i>Dr.</i> | 28,140 | — | — | | | |
| | To Debenture-holders | | | | 600 | — | — |
| | " Sundry Shareholders | | | | 27,540 | — | — |
| | Transfer of premium on debentures and profit on realization. | | | | | | |

EXERCISE XV (G)—No. 40 (*contd.*)JOURNAL OF A CO., LTD.—(*contd.*)

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|--|----------|----|----|----------|----|----|
| Jan. 1 | Share Capital Account . . . <i>Dr.</i> | 47,500 | — | — | | | |
| | Reserve Fund | 15,000 | — | — | | | |
| | Profit and Loss A/c (<i>Cr.</i> balance) .. | 4,960 | — | — | | | |
| | To Sundry Shareholders | | | | 67,460 | — | — |
| | Transfer of balances. | | | | | | |
| " 1 | Debentures (A Co.'s) . . . <i>Dr.</i> | 12,000 | — | — | | | |
| | To Debenture-holders | | | | 12,000 | — | — |
| | Balance transferred. | | | | | | |
| " 1 | Shares Account (B Co.'s) . . <i>Dr.</i> | 71,250 | — | — | | | |
| | Debentures Account (B Co.'s) .. | 12,600 | — | — | | | |
| | To B Co. | | | | 83,850 | — | — |
| | Receipt of £12,600 debentures and 142,000 shares of 10/- each share in part payment of purchase price of business. | | | | | | |
| " 1 | Bank <i>Dr.</i> | 23,750 | — | — | | | |
| | To B Co., Ltd. | | | | 23,750 | — | — |
| | Balance of purchase price received. | | | | | | |
| " 1 | Sundry Shareholders . . . <i>Dr.</i> | 95,000 | — | — | | | |
| | To Shares Account (B Co.'s) . . | | | | 71,250 | — | — |
| | „ Cash. | | | | 23,750 | — | — |
| | Issue of 142,000 10/- B Co.'s shares in exchange for 47,500 shares in A Co. and payment of cash as per arrangement. | | | | | | |
| " 1 | Debenture-holders . . . <i>Dr.</i> | 12,600 | — | — | | | |
| | To Debentures (B Co.'s) | | | | 12,600 | — | — |
| | Issue of 6% debentures in ex- change for debentures in A Co. | | | | | | |
| | | £525,160 | — | — | £525,160 | — | — |

Note.—The Purchase price of business taken over by B Co. is arrived at as under—

| | | | |
|---|---|-----------------|----------|
| (1) Payment by B Co. of A Co.'s Debentures at 105% by issue of 6% Debentures | £ | 12,600 | ✓ |
| (2) Payment of 10/- per share to each of A Co.'s share- holders by B Co. | | 23,750 | ✓ |
| (3) Issue of three 10s. shares (at par) for each £1 share to the shareholders in A Co. by B Co.. | | 71,250 | |
| TOTAL | | £107,600 | 3 |

EXERCISE XV (G)—No. 40 (contd.).

JOURNAL OF B CO. LTD.

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|--|----------|----|----|----------|----|----|
| Jan. 1 | Freehold Land and Buildings <i>Dr.</i> | 15,650 | — | — | | | |
| | Machinery and Plant | 3,210 | — | — | | | |
| | Fixtures and Fittings | 850 | — | — | | | |
| | Sundry Debtors | 10,990 | — | — | | | |
| | Stock | 4,660 | — | — | | | |
| | Investments | 14,650 | — | — | | | |
| | Cash at Bank and in hand | 2,100 | — | — | | | |
| | Goodwill (£35,000 + £28,140) | 63,140 | — | — | | | |
| | To Sundry Creditors | | | | 7,650 | — | — |
| | „ Liquidator of A Co. | | | | 107,600 | — | — |
| | Sundry assets and liabilities taken over as per agreement of 1st Jan., 19.. | | | | | | |
| „ 1 | Liquidator of A Co. <i>Dr.</i> | 107,600 | — | — | | | |
| | To Share Capital | | | | 71,250 | — | — |
| | „ 6% Debentures | | | | 12,600 | — | — |
| | „ Cash | | | | 23,750 | — | — |
| | Payment of purchase price of business by issue of 142,000 10/- shares, £12,600 6% debentures, and balance in cash. | | | | | | |
| | | £222,850 | — | — | £222,850 | — | — |

EXERCISE XV (G)—No. 41.

JOURNAL OF X CO. (OLD)

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|----------------------------------|----------|----|----|----------|----|----|
| | Business Realization A/c . Dr. | 29,704 | — | — | | | |
| | To Land and Buildings . . . | | | | 2,300 | — | — |
| | „ Plant and Machinery . . . | | | | 2,108 | — | — |
| | „ Furniture and Fittings . . . | | | | 415 | — | — |
| | „ Stock | | | | 3,691 | — | — |
| | „ Sundry Debtors | | | | 12,674 | — | — |
| | „ Cash at Bank, etc. | | | | 8,516 | — | — |
| | Sundry Creditors Dr. | 5,674 | — | — | | | |
| | To Business Realization A/c . . | | | | 5,674 | — | — |
| | Business Realization A/c . Dr. | 43 | — | — | | | |
| | To Cash (Exps. of Realization) . | | | | 43 | — | — |
| | X Co. (NEW) Dr. | 57,450 | — | — | | | |
| | To Business Realization A/c . . | | | | 57,450 | — | — |
| | Shares Account Dr. | 50,000 | — | — | | | |
| | Cash „ | 7,450 | — | — | | | |
| | To X Co. (NEW) | | | | 57,450 | — | — |
| | Capital Account Dr. | 18,000 | — | — | | | |
| | Reserve Fund | 15,000 | — | — | | | |
| | Profit and Loss Account | 7,450 | — | — | | | |
| | To Sundry Shareholders | | | | 40,450 | — | — |
| | Business Realization A/c . Dr. | 33,377 | — | — | | | |
| | To Sundry Shareholders | | | | 33,377 | — | — |
| | Sundry Shareholders | 73,827 | — | — | | | |
| | To Shares Account | | | | 50,000 | — | — |
| | „ Cash | | | | 7,407 | — | — |
| | „ Investments | | | | 16,420 | — | — |
| | | £297,975 | — | — | £297,975 | — | — |

The above entries CORRECTLY posted will CLOSE the books of X Co., LTD. (OLD).

Each of the five shareholders receives—

- (1) 10,000 £1 shares.
- (2) £3,284 investments.
- (3) £1,481 8s. in cash.

THE X CO., LTD (New)

BALANCE SHEET AS AT 1ST JANUARY, 19..:

[illegible]

EXERCISE XV (G)—No. 42.

A CO., LTD.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|----------------------------|---|----|----|----------|----|----|
| | Patent Rights | . | . | . | 40,000 | — | — |
| | Sundry Debtors | . | . | . | 5,000 | — | — |
| | Goodwill | . | . | . | 10,000 | — | — |
| | To Liquidator of D Co. | . | . | . | | | |
| | Liquidator of D Co. | . | . | . | 55,000 | — | — |
| | To Ordinary Share Capital | . | . | . | 20,000 | — | — |
| | „ Preference Share Capital | . | . | . | 25,000 | — | — |
| | „ Premium on Shares | . | . | . | 10,000 | — | — |
| | | | | | | | |
| | | | | | £110,000 | — | — |

EXERCISE XV (G)—No. 42 (contd.).

A CO., LTD.

BALANCE SHEET

| CAPITAL AND LIABILITIES. | | | | PROPERTY AND ASSETS. | | | |
|-----------------------------------|--|----------|-------|----------------------|-------|----------|-------|
| <i>Nominal Capital—</i> | | £ | s. d. | £ | s. d. | £ | s. d. |
| 70,000 Ordinary Shares of £1 each | | 70,000 | — | | | 40,000 | — |
| 75,000 Preference Shares of £1 | | 75,000 | — | | | 60,000 | — |
| | | £145,000 | — | | | 40,000 | — |
| | | | | | | 10,000 | — |
| <i>Issued Capital—</i> | | | | | | 25,000 | — |
| 70,000 Ordinary Shares of £1 each | | 70,000 | — | | | 10,000 | — |
| 75,000 Preference Shares of £1 | | 75,000 | — | | | 20,000 | — |
| | | | | | | | |
| Debentures | | | | | | | |
| Reserve | | | | 145,000 | — | | |
| Premium on Shares | | | | 25,000 | — | | |
| Sundry Creditors | | | | 10,000 | — | | |
| Profit and Loss Account | | | | 10,000 | — | | |
| | | | | 5,000 | — | | |
| | | | | 10,000 | — | | |
| | | | | £205,000 | — | £205,000 | — |

EXERCISE XV (G)—No. 43.

THE SYNDICATE

BALANCE SHEET

| CAPITAL AND LIABILITIES. | | | | PROPERTY AND ASSETS. | | | |
|-------------------------------------|--------|--------|----|----------------------------------|--------|-----------------|----------|
| £ | s. | £ | s. | £ | s. | £ | s. |
| Bank Overdraft | | 40,000 | — | Freehold Land and Buildings | | 97,500 | — |
| Bills Payable | | 6,000 | — | Freehold Cottages | | 17,500 | — |
| Mortgages | | 40,000 | — | Leasehold Property | | 5,000 | — |
| Sundry Creditors | | 20,000 | — | Plant and Machinery | | 100,000 | — |
| Reserve for Income Tax | 10,000 | | — | Motor Vehicles | | 10,000 | — |
| Reserve for Corporation Profits Tax | 1,750 | | — | Fixtures and Fittings | | 12,000 | — |
| Bailey Manufacturing Co., Ltd. | | | | Loose Tools | | 14,000 | — |
| (Vendors) | | | | Stock | 35,000 | | — |
| | | | | Sundry Debtors | 1,750 | | — |
| | | | | Less Bad Debts Reserve | | | — |
| | | | | Investments | | 33,250 | — |
| | | | | Inland Revenue Claim | | 10,000 | — |
| | | | | | | 13,000 | — |
| | | | | | | <u>£392,750</u> | <u>—</u> |

Each shareholder would receive $\frac{£275,000}{£150,000}$ shares in exchange for each £1 share, i.e. $\frac{11}{6}$ = $1\frac{1}{2}$ shares for each £1 share.

EXERCISE XVI—No. 1 (Form No. 1) (contd.).

MANUFACTURING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

| Dr. | | (b) COST OF PRODUCTION ACCOUNT | | | | Cr. | |
|--|--|--------------------------------|----|----|--------|-----|----|
| | | £ | s. | d. | £ | s. | d. |
| To Prime Cost of Goods Manufactured as per Account (a) . | | | | | | | |
| " Proportion of Factory Overhead on Partly-manufact'd Goods | | | | | 44,418 | 12 | 4 |
| " Factory Overhead— | | | | | 1,396 | 18 | 5 |
| " Rent, Rates, Taxes, and Insurance . | | 1,312 | 12 | 5 | | | |
| " Gas, Fuel, Water, Lighting, and Heating . | | 1,198 | 13 | 6 | | | |
| " Patent Royalties . | | 306 | 5 | 9 | | | |
| " Wages and Salaries | | 1,910 | 10 | 3 | | | |
| " Repairs, Renewals, and Depreciation of Tools, Machinery, etc. . | | 1,806 | 17 | 8 | | | |
| " Interest on Capital Outlay on Plant, Machinery, Tools, Land, and Buildings . | | 2,485 | 9 | 4 | 9,020 | 8 | 11 |
| | | | | | 54,835 | 19 | 8 |
| | | | | | £ | | |
| | | | | | 54,835 | 19 | 8 |
| | | | | | £ | | |

TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

| <i>Dr.</i> | TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | | | <i>Cr.</i> |
|---|--|-----------|-----------|--|--------|-----------|------------|
| | £ | <i>s.</i> | <i>d.</i> | | £ | <i>s.</i> | <i>d.</i> |
| To Stock of Manufactured Goods at start | 5,674 | 13 | 9 | By Sales | 73,086 | 14 | 2 |
| „ Manufacturing Account | 53,093 | 6 | 2 | Less Returns Inwards | 2,378 | 12 | 7 |
| (Cost of Goods manufactured, as per Account (b)) | | | | „ Stock of Manufactured Goods at close | | | |
| „ Balance, Gross Profit c/d | 17,449 | 12 | 2 | | | | |
| | £ | 76,217 | 12 | | | | |
| | | 1 | | | £ | 76,217 | 12 |
| | | | | | | 1 | |

[illegible]

Dr. MANUFACTURING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

627

EXERCISE XVI—No. 1. (Form No. 2) (contd.).

| Dr. | | | | Cr. | | | |
|--|----------|----|----|--------------------------------|----------|----|----|
| TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | | | | |
| To Stock of Manufactured Goods at start | £ | s. | d. | By Sales | £ | s. | d. |
| „ Manufacturing Account | 5,674 | 13 | 9 | Less Returns Inwards | 73,086 | 14 | 2 |
| (Trade price of goods) | 58,472 | 1 | 8 | | 2,378 | 12 | 7 |
| | | | | | | | |
| Less Stock of Manufactured Goods at close | 64,146 | 15 | 5 | | | | |
| | 5,509 | 10 | 6 | | | | |
| PRIME COST OF SALES | 58,637 | 4 | 11 | | | | |
| „ Balance, Gross Profit on Sales | 12,070 | 16 | 8 | | | | |
| | £ 70,708 | 1 | 7 | | £ 70,708 | 1 | 7 |

| Dr. | | | | Cr. | | | |
|--|--|--|--|------------------------------------|----------|----|----|
| PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | | | | |
| | | | | By Manufacturing Account | £ | s. | d. |
| | | | | „ Trading Account | 5,378 | 15 | 6 |
| | | | | | 12,070 | 16 | 8 |
| | | | | | £ 17,449 | 12 | 2 |

MANUFACTURING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

[illegible]

Gr.

[illegible]

EXERCISE XVI—No. 3 (a).

Dr.

SPINNING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | | £ | s. | d. | | £ | s. | d. |
|--|----------|----|----|--|---------|----|----|--|----------|----|----|
| To Cotton | 82,616 | 10 | 5 | By Sale of— | | | | | | | |
| " Brokerage, Charges, etc. | 297 | 13 | 8 | Yarns | 6,816 | 12 | 9 | | | | |
| " Freight and Carriage | 1,187 | 12 | 9 | Waste | 2,632 | 5 | 11 | | | | |
| " Wages and Salaries | 17,802 | 15 | 4 | Sundries | 89 | 14 | 7 | | | | |
| " Coal, £1,987/11/5 ; Oil, Tallow, etc., £306/14/8 | 2,294 | 6 | 1 | " Balance, transferred to Trad- ing Account | 9,538 | 13 | 3 | | | | |
| " Gas, Electric Light, and Water and Cloth | 265 | 10 | 3 | | 100,950 | 18 | 4 | | | | |
| " Cards, Ropes, Roller Leather, and Cloth | 786 | 2 | 10 | | | | | | | | |
| " Skips, Bobbins, and Skewers | 208 | 10 | 6 | | | | | | | | |
| " Brushes, Starch, and Binding | 286 | 14 | 7 | | | | | | | | |
| " Strapping and Laces | 121 | 16 | 9 | | | | | | | | |
| " Packing, Paper, and Twine | 297 | 3 | 8 | | | | | | | | |
| " Rates, Taxes, and Insurance | 436 | 3 | 10 | | | | | | | | |
| " Mill Charges and Sundry Stores | 206 | 14 | 8 | | | | | | | | |
| " Horse and Stable Expenses | 187 | 6 | 7 | | | | | | | | |
| " Repairs to Buildings, Engine, Boiler, Gearing, etc. | 1,287 | 14 | 6 | | | | | | | | |
| " Depreciation of Plant and Machinery | 2,206 | 15 | 2 | | | | | | | | |
| | £110,489 | 11 | 7 | | | | | | £110,489 | 11 | 7 |

EXERCISE XVI—No. 3 (b).

| | £ | s. | £ | s. d. | By Sale of— | £ | s. | d. | £ | s. d. | Cy. |
|---|---|----|----------|-------|--|-----|------|----|----------|-------|-----|
| To Purchases of Yarns, etc. | . | . | 4,106 | 12 5 | Waste | 136 | 15 2 | | | | |
| " Freight and Carriage | . | . | 763 | 14 9 | Sundries | 95 | 6 8 | | | | |
| " Wages and Salaries | . | . | 28,780 | 15 6 | | | | | 232 | 11 10 | |
| " Coals, £1,127/14/11; Tallow, Oils, etc., £165/2/9. | . | . | 1,292 | 17 8 | " Balance, transferred to Trad- ing Account | | | | 40,702 | 12 11 | |
| " Gas, Electric Light, and Water | . | . | 128 | 16 7 | | | | | | | |
| " Shuttles, Pickers, Picking Bands, . etc. | . | . | 538 | 10 8 | | | | | | | |
| " Reeds, Combs, and Healds. | . | . | 309 | 14 6 | | | | | | | |
| " Brushes and Sundries | . | . | 105 | 3 10 | | | | | | | |
| " Strapping and Laces | . | . | 96 | 12 3 | | | | | | | |
| " Skips, Bobbins, and Skewers | . | . | 114 | 3 6 | | | | | | | |
| " Flour and Sizing Materials | . | . | 1,594 | 11 7 | | | | | | | |
| " Rates, Taxes, and Insurance | . | . | 226 | 13 4 | | | | | | | |
| " Mill Charges and Sundry Stores | . | . | 197 | 10 5 | | | | | | | |
| " Horse and Stable Expenses | . | . | 112 | 4 10 | | | | | | | |
| " Repairs to Buildings, Engines, Boilers, etc. | . | . | 478 | 13 6 | | | | | | | |
| " Depreciation of Plant and Machinery | . | . | 2,087 | 19 5 | | | | | | | |
| | | | £ 40,934 | 14 9 | | | | | £ 40,934 | 14 9 | |

EXERCISE XVI—No. 3 (c).

| <i>Dr.</i> | | TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | | | | | | | <i>Cr.</i> | |
|--------------------------------------|--|--|----|----|----------|----|----|---------|----|----|----------|------------|----|
| | | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| <i>To Stocks of Cloth, 1st Jan.—</i> | | | | | | | | | | | | | |
| At Mills | | 40,785 | 10 | 2 | | | | 61,728 | 15 | 6 | | | |
| At Warehouse | | 75,016 | 11 | 6 | | | | 160,906 | 14 | 11 | | | |
| At Bleachers and Dyers | | 9,528 | 16 | 8 | | | | 12,614 | 13 | 8 | | | |
| | | | | | 125,330 | 18 | 4 | | | | 235,250 | 4 | 1 |
| Goods Purchased | | | | | 8,675 | 10 | 3 | | | | 9,427 | 13 | 6 |
| " Bleaching, Dyeing, and | | | | | | | | | | | | | |
| Printing | | | | | 28,487 | 11 | 5 | 40,753 | 2 | 10 | | | |
| " Carriage | | | | | 339 | 16 | 7 | 76,017 | 14 | 8 | | | |
| " Packing | | | | | 273 | 14 | 8 | 8,426 | 11 | 9 | | | |
| " Spinning Account | | 100,950 | 18 | 4 | | | | | | | 125,197 | 9 | 3 |
| (Amount transferred) | | | | | | | | | | | | | |
| " Weaving Account | | 40,702 | 12 | 11 | | | | | | | | | |
| (Amount transferred) | | | | | 141,653 | 11 | 3 | | | | | | |
| " Balance (Gross Profit) | | | | | 65,114 | 4 | 4 | | | | | | |
| | | | | | £369,875 | 6 | 10 | | | | £369,875 | 6 | 10 |

EXERCISE XVI—No. 4.

THE "NEWBELL" BRICKWORKS

Dr. MANUFACTURING AND TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 19.. *Cr.*

| | £ | s. | d. |
|--------------------------------|--------|----|----|
| To Coal Consumed. | | | |
| " Stores Consumed | | | |
| " Rations | | | |
| " Wages | | | |
| " Stable Expenses | | | |
| " Rent | | | |
| " Carriage Inwards | | | |
| " Repairs and Renewals | | | |
| " Medical Fees | | | |
| " Depreciation— | | | |
| Plant. | 106 | 2 | 11 |
| Machinery | 195 | 13 | 6 |
| Kilns | 203 | 4 | 7 |
| Pumping Plant | 12 | 6 | 9 |
| Railway Siding | 10 | 14 | 5 |
| | | | |
| " Balance (Gross Profit) | | | |
| | £ | s. | d. |
| By Brick Sales | 1,897 | 15 | 2 |
| " Stock of Bricks, 31st Dec. | 256 | 7 | 9 |
| | 763 | 2 | 10 |
| | 2,916 | 14 | 7 |
| | 12 | 3 | 8 |
| Less Stock of Bricks, 1st Jan. | 165 | 10 | — |
| | 438 | 12 | 9 |
| | 247 | 6 | 5 |
| | 12 | 12 | — |
| | £ | s. | d. |
| | 9,671 | 18 | 9 |
| | 716 | 15 | 8 |
| | 10,388 | 14 | 5 |
| | 972 | 5 | 10 |
| | £9,416 | 8 | 7 |

EXERCISE XVI—No. 5.

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

Dr.

| | | % on Sales. | £ | s. | d. | | % on Sales. | £ | s. | d. |
|--------------------------|---|----------------|--------|----|----|----------------------------------|----------------|--------|----|----|
| To Stock, 1st Jan.. | . | . | 8,947 | 10 | 6 | By Sales | . | 23,529 | 16 | 8 |
| " Purchases (Net) | . | . | 12,056 | 3 | 7 | " Work in Progress, 31st Dec. | . | 1,628 | 19 | 2 |
| | | | | | | | | | | |
| Less Stock, 31st Dec. | . | . | 21,003 | 14 | 1 | Less Work in Progress, 1st Jan. | . | 25,158 | 15 | 10 |
| | | | 9,765 | 19 | 3 | | | 1,263 | 5 | 1 |
| PRIME COST OF SALES | . | 47-03 | 11,237 | 14 | 10 | TURNOVER | . | 23,895 | 10 | 9 |
| Carriage Inwards | . | 7-78 | 1,857 | 10 | 2 | | | | | |
| " Wages | . | 15-00 | 3,585 | 16 | 2 | | | | | |
| " Balance, Gross Profit | . | 30-19 | 7,214 | 9 | 7 | | | | | |
| | | | | | | | | | | |
| | | | 100-00 | | | | | 100-00 | | |
| To Salaries | . | 2-04 | 486 | 12 | 5 | By Trading Account, Gross Profit | . | 23,895 | 10 | 9 |
| " Commission | . | 1-37 | 327 | 5 | 10 | | | | | |
| " Advertising | . | 1-37 | 326 | 13 | 7 | | | 30-19 | | |
| " Discount | . | 1-60 | 384 | 9 | 4 | | | | | |
| " Rent, Rates, and Taxes | . | 1-57 | 375 | 14 | 5 | | | | | |
| " Carriage Outwards | . | 1-48 | 352 | 17 | 9 | | | | | |
| " Trade Expenses | . | 1-57 | 375 | 11 | 4 | | | | | |
| " Bad Debts | . | 1-37 | 327 | 6 | 10 | | | | | |
| " Depreciation | . | 1-61 | 384 | 15 | 8 | | | | | |
| " Interest on Capital | . | 1-08 | 257 | 11 | 6 | | | | | |
| " Balance, Net Profit | . | 15-13 | 3,615 | 10 | 11 | | | | | |
| | | | | | | | | | | |
| | | | 30-19 | | | | | 30-19 | | |
| | | | £7,214 | 9 | 7 | | | £7,214 | 9 | 7 |

EXERCISE XVI—No. 6.

KRYNX GOLD MINING CO., LTD.

| Dr. | MINE WORKING ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 19.. | | | | | | | | | | Cr. | |
|--|---|----|----|----------|----|----|----------------------|---|---|----------|-----|----|
| | £ | s. | d. | £ | s. | d. | By Bullion Account . | . | . | £ | s. | d. |
| To Ore Extraction— | | | | | | | | | | | | |
| Expenses of Mining | | | | | | | | | | 246,017 | 13 | 2 |
| Reduction of Ore— | | | | | | | | | | 2,034 | 15 | 6 |
| Milling . . . | 16,517 | 12 | 8 | | | | | | | | | |
| Concentrating . . . | 10,026 | 5 | 3 | | | | | | | | | |
| Cyaniding . . . | 44,587 | 2 | 9 | | | | | | | | | |
| Tramming . . . | 4,866 | 12 | 11 | | | | | | | | | |
| Concession Rents Paid . . . | | | | 75,997 | 13 | 7 | | | | | | |
| Royalties Paid . . . | | | | 600 | — | 5 | | | | | | |
| Prospecting Expenses . . . | | | | 3,427 | 10 | 5 | | | | | | |
| Claim Expenses . . . | | | | 1,013 | 1 | 8 | | | | | | |
| Wages at Mine . . . | | | | 1,768 | 15 | 3 | | | | | | |
| General Charges at Mine . . . | | | | 4,026 | 4 | 10 | | | | | | |
| Bank Charges . . . | | | | 2,347 | 13 | 6 | | | | | | |
| Depreciation at Works, Machinery, etc. . . | | | | 1,428 | 17 | 5 | | | | | | |
| Balance (Gross Profit) . . . | | | | 5,043 | 12 | 8 | | | | | | |
| | | | | 111,573 | 2 | 9 | | | | | | |
| | | | | £248,052 | 8 | 8 | | | | £248,052 | 8 | 8 |

"KOOMRIE" TOBACCO PLANTATIONS, LTD.

PLANTATION WORKING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

| | £ | s. | d. | £ | s. | d. | By Proceeds of Sale of Tobacco | £ | s. | d. |
|--|--------|----|----|----------|----|----|--------------------------------|---|----|----|
| To Plantation Wages— | | | | | | | | | | |
| Planting | 13,016 | 14 | 8 | | | | | | | |
| Manufacturing | 4,408 | 12 | 2 | | | | | | | |
| " Plantation Salaries— | | | | 17,425 | 6 | 10 | | | | |
| European Staff | 7,087 | 3 | 11 | | | | | | | |
| Native Overseers | 2,007 | 16 | 5 | | | | | | | |
| Native Watchmen | 896 | 7 | 10 | 9,991 | 8 | 2 | | | | |
| " Coolie Expenses (Brokerage, Passage Money, etc.) | | | | 2,956 | 11 | 6 | | | | |
| " Hospital Working Expenses | | | | 1,016 | 4 | 8 | | | | |
| " Transport Expenses | | | | 1,037 | 2 | 6 | | | | |
| " General Plantation Expenses | | | | 1,216 | 18 | 7 | | | | |
| " Stable Expenses | | | | 602 | 10 | 9 | | | | |
| " Loss (by death) of Advances to Coolies | | | | 536 | 5 | 2 | | | | |
| " Waste of Live Stock (Ponies, Bullocks, etc.) | | | | 467 | 9 | 4 | | | | |
| " Commission on Sale of Tobacco | | | | 3,026 | 13 | 3 | | | | |
| " Repairs, Renewals & Depreciation:— | | | | | | | | | | |
| Railway | 167 | 19 | 5 | | | | | | | |
| Steam Launch, Lighters, etc. | 346 | 2 | 9 | | | | | | | |
| Loose Tools | 307 | 14 | 8 | | | | | | | |
| Pier Wharf, etc. | 265 | 10 | 6 | | | | | | | |
| Ways, Roads, etc. | 1,328 | 11 | 4 | | | | | | | |
| Buildings, etc. | 3,516 | 13 | 5 | 5,932 | 12 | 1 | | | | |
| " Balance (Gross Profit) | | | | 16,608 | 15 | 8 | | | | |
| | | | | £ 60,817 | 18 | 6 | | | | |

THE "WESTERN STAR" NEWSPAPER CO., LTD.

PRODUCTION ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | <i>£</i> | <i>s.</i> | <i>d.</i> |
|---|-----------------|-----------|-----------|
| To Paper used | 8,516 | 10 | 2 |
| " Ink used | 487 | 14 | 6 |
| " Compositors' and Machining Wages | 4,206 | 15 | 8 |
| " Cost of Literary Contributions | 987 | 14 | 3 |
| " Reporters' and Office Salaries | 4,617 | 10 | 2 |
| " Editors' Salaries | 1,400 | - | - |
| " Newsagency Telegrams | 246 | 18 | 6 |
| " Petty Expenses | 72 | 6 | 10 |
| " Gas, Electric Current, and Fuel | 487 | 13 | 5 |
| " Repairs and Renewals | 316 | 14 | 9 |
| " Depreciation of Plant, Machinery, and Stereos | 236 | 15 | 7 |
| " Depreciation of Linotype Installation | 70 | - | - |
| " Rates, Taxes, and Insurance of Works | 160 | 14 | 8 |
| " Balance (Gross Profit) | 14,341 | 15 | 11 |
| | <i>£</i> 36,149 | 4 | 5 |

THE "BEXTON" STEAM TRAWLER CO.

WORKING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

| | £ | s. | d. |
|---|------|----|----|
| To Coal and Oil | | | |
| " Repairs and Renewals | | | |
| " Landing Dues | | | |
| " Harbour Dues | | | |
| " <i>Wages</i> — | | | |
| General | 148 | 10 | 9 |
| Fishermen | 150 | 6 | 5 |
| Casual | 18 | 14 | 7 |
| Commission | | | |
| " Ropes, Stores, etc. | | | |
| " Net Braiding, Mending, and Tarring. | | | |
| " Carpentering | | | |
| " Painting | | | |
| " Salvage Claims | | | |
| " Balance (Gross Profit) | | | |
| | £ | s. | d. |
| By Sales of Fish | 147 | 10 | 9 |
| " Sales of Old Rope, etc. | 80 | 12 | 5 |
| | 10 | 8 | 6 |
| | 8 | 4 | 3 |
| | 317 | 11 | 9 |
| | 20 | — | — |
| | 50 | 13 | 6 |
| | 14 | 11 | 5 |
| | 12 | 9 | 7 |
| | 11 | 8 | 4 |
| | 20 | 16 | 5 |
| | 301 | 5 | 10 |
| | £995 | 12 | 9 |

EXERCISE XVI—No. 10.

THE "OVERSLEY" CANAL CO.

Dr.

WORKING ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 19..

Cr.

| | £ | s. | d. | | £ | s. | d. | |
|---|-------|--------|----|--------------------------------------|--------|--------|----|---|
| To Maintenance, Dredging, and Ice Breaking | 3,506 | 13 | 8 | By Toll Traffic Receipts | 7,406 | 15 | 6 | |
| " Rents Payable | 1,857 | 10 | 6 | " Freight Traffic Receipts | 14,517 | 11 | 8 | |
| " Rates, Taxes, and Insurance | 1,314 | 14 | 5 | | | | | |
| " General Charges | 1,206 | 15 | 4 | | 21,924 | 7 | 2 | |
| " Depreciation of Boats, Horses, and Carrying Plant | 862 | 9 | 10 | Less Traffic Expenses | 11,986 | 14 | 4 | |
| " Balance (Gross Profit) | 5,189 | 15 | 4 | Net Traffic Receipts | 9,937 | 12 | 10 | |
| | | | | " Rents Receivable | 3,914 | 16 | 7 | |
| | | | | " Miscellaneous Receipts | 85 | 9 | 8 | |
| | £ | 13,937 | 19 | 1 | £ | 13,937 | 19 | 1 |

EXERCISE XVI—No. II.

THE "WIDE SEAS" NAVIGATION CO., LTD.

WORKING ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 19..

Dr. Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|-----------------------------|---------|----|----|-----------|----|----|------------|----|----|
| To Navigation Expenses— | | | | | | | | | |
| Coal, Oil, and Water | 609,126 | 10 | 9 | | | | 1,025,716 | 15 | 8 |
| Dues, Tonnage, Pilotage, | 148,705 | 15 | 6 | | | | 1,306,578 | 10 | 6 |
| etc. | 282,856 | 11 | 5 | | | | 250,000 | — | — |
| Pay of Officers and Crew | | | | 1,040,688 | 17 | 8 | | | |
| Provisioning of Passengers, | | | | | | | | | |
| Officers, and Crew | | | | 257,493 | 18 | 4 | | | |
| " Suez Canal Dues | | | | 289,586 | 16 | 8 | | | |
| " Miscellaneous Expenses— | | | | | | | | | |
| Damages, Claims, and | | | | | | | | | |
| Law Charges | 12,000 | 10 | 6 | | | | 10,000 | — | — |
| Expenses of Steamers | 9,857 | 4 | 11 | | | | | | |
| laid up | 1,625 | 17 | 5 | | | | | | |
| Quarantine Charges | | | | 23,483 | 12 | 10 | | | |
| Ships' Repairs, Stores, & | | | | | | | | | |
| General Maintenance | | | | 165,714 | 6 | 7 | | | |
| Insurance Charges and | | | | 18,409 | 13 | 4 | | | |
| General Average Claims | | | | 327,916 | 15 | 6 | | | |
| Depreciation of Fleet, etc. | | | | 469,001 | 5 | 3 | | | |
| " Balance (Gross Profit) | | | | | | | £2,592,295 | 6 | 2 |
| | | | | | | | | | |

THE SUNBEAM HOTEL, LTD.

WORKING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Dr. Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---|-------|----|----|----------|----|----|----------|----|----|
| To Consumption of— | | | | | | | | | |
| Groceries and Provisions. | 4,520 | 14 | 2 | | | | 6,517 | 11 | 4 |
| Wines, Spirits, and Liqueurs | 4,206 | 10 | 8 | | | | 6,702 | 10 | 8 |
| Ale, Beer, and Minerals | 1,986 | 13 | 5 | | | | 3,098 | 12 | 6 |
| Tobacco, Cigars, and Cigarettes | 1,023 | 17 | 6 | | | | 1,587 | 8 | 9 |
| Sundry Stores | 240 | 16 | 7 | | | | 11,516 | 14 | 3 |
| | | | | 11,978 | 12 | 4 | | | |
| Wages and Salaries | | | | 5,017 | 11 | 4 | | | |
| Licences and Insurances | | | | 957 | 13 | 10 | | | |
| Newspapers, Magazines, Printing, and Stationery | | | | 305 | 4 | 9 | 1,025 | 11 | 5 |
| Coal, Gas, and Lighting | | | | 627 | 19 | 1 | 472 | 9 | 7 |
| Repairs and Renewals of Buildings | | | | 214 | 10 | 6 | 276 | 15 | 4 |
| Laundry | | | | 334 | 18 | 5 | | | |
| Stable and Garage Expenses | | | | 235 | 6 | 8 | | | |
| Rent, Rates, and Taxes | | | | 1,075 | 10 | 6 | | | |
| Repairs, Renewals & Depreciation:— | | | | | | | | | |
| Furniture and Fittings | 306 | 4 | 6 | | | | | | |
| Cutlery and Plate | 162 | 8 | 5 | | | | | | |
| House, Bed, and Table Linen | 105 | 11 | 3 | | | | | | |
| China and Glass | 114 | 17 | 9 | | | | | | |
| | | | | 689 | 1 | 11 | | | |
| | | | | 9,761 | 4 | 6 | | | |
| Balance (Gross Profit) | | | | £ 31,197 | 13 | 10 | | | |
| | | | | | | | £ 31,197 | 13 | 10 |

EXERCISE XVI—No. 13.

(a) *Cost of Material Used.*

| | £ | s. | d. |
|---|---------|----|----|
| Stock of Raw Materials | 1,200 | — | — |
| Add Purchases | 12,000 | — | — |
| „ Carriage | 6,000 | — | — |
| | £19,200 | — | — |
| Less Materials in hand at close | 1,400 | — | — |
| COST OF MATERIALS USED | £17,800 | — | — |

(Note.—Carriage is included in above statement as it is an element of cost usually inseparable from the cost of purchase.)

(b) *Value of Output.*

| | £ | s. | d. |
|--|---------|----|----|
| Sales | 42,000 | — | — |
| Add Stock of Finished Goods unsold | 3,500 | — | — |
| | £45,500 | — | — |
| Less Stock of Finished Goods (at commencement) | 4,000 | — | — |
| | £41,500 | — | — |

(c) *Percentage of GROSS Profit on Sales.*

$$\frac{\text{Gross Profit } £8,700 \times 100}{\text{Sales } £42,000} = \underline{\underline{20.71\%}}$$

EXERCISE XVI—No. 14.

COST FIGURES OF THE £2,000 ORDER

| | £ | s. | d. |
|--|--------|----|----|
| Materials | 602 | — | — |
| Wages | 880 | — | — |
| Works Overhead $\left(\frac{\text{Cost of Order } £2,000 \times 100}{\text{Total Orders } £50,000} \right) = 25\% \text{ of Wages}$ | 220 | — | — |
| Office „ $\left(\frac{\text{Wages of Order } £880 \times \text{Office Overh'd } £1,300}{\text{Total Wages } £26,000} \right)$ | *44 | — | — |
| | £1,746 | — | — |
| PROFIT ON ORDER | 254 | — | — |
| Price of Order Executed | £2,000 | — | — |

EXERCISE XVI—No. 15.

Dr.

PERCENTAGE STATEMENT

Cr.

| | 1st Year. | % on Out-put. | 2nd Year. | % on Out-put. | % on Out-put. | Two Years' Total. | Ave. % on Out-put. | | 1st Year. | % on Out-put. | 2nd Year. | % on Out-put. | 1st Year. | % on Out-put. | 2nd Year. | % on Out-put. |
|--------------------------|-----------|---------------|-----------|---------------|---------------|-------------------|--------------------|-------------------------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|
| To Stocks, 1st Jan. | £ 6,000 | | £ 5,000 | | | £ 11,000 | 100.00 | By Sales | £ 30,000 | | £ 17,000 | | £ 30,000 | | £ 17,000 | |
| Add Purchases | 17,500 | | 14,000 | | | 31,500 | 100.00 | " Finished Work (at end) | 6,000 | | | | | | | |
| | 23,500 | | 19,000 | | | 42,500 | 100.00 | Less Finished Work, 1st Jan. | 3,000 | | | | | | | |
| Less Stocks, 31st Dec. | 5,000 | | 7,000 | | | 12,000 | 100.00 | " Finished Work, 1st Jan. | 4,000 | | 3,000 | | | | 3,000 | |
| COST OF MATERIAL | 18,500 | 63.80 | 12,000 | 60.00 | | 30,500 | 62.24 | Less Finished Work, 31st Dec. | 3,000 | | | | 1,000 | | | |
| To Wages | 7,500 | 25.86 | 4,800 | 24.00 | | 12,300 | 25.11 | OUTPUT | | | | | £ 29,000 | 100.00 | 20,000 | 100.00 |
| " Expenses | 2,000 | 6.89 | 1,200 | 6.00 | | 3,200 | 6.53 | | | | | | £ 29,000 | 100.00 | 20,000 | 100.00 |
| " Balance, Gross Profit. | 1,000 | 3.45 | 2,000 | 10.00 | | 3,000 | 6.12 | | | | | | | | | |
| | £ 29,000 | 100.00 | 20,000 | 100.00 | | 49,000 | 100.00 | | | | | | | | | |

THE BLANKSHIRE IRON CO., LTD.

TRADING ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 19..

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 19..

| | <i>£</i> | <i>s.</i> | <i>d.</i> |
|----------------------------------|-----------------|-----------|-----------|
| To Office Salaries | 3,401 | — | — |
| " Directors' Fees | 1,500 | — | — |
| " Bad Debts | 1,680 | — | — |
| " Depreciation | 3,890 | — | — |
| " Balance, Net Profit | 11,432 | — | — |
| | <u>21,903</u> | — | — |
| | <i>£</i> 21,903 | — | — |
| By Trading Account b/d | | — | — |
| " Interest | | — | — |
| " Transfer Fees | | — | — |
| | <u>21,930</u> | — | — |
| | <i>£</i> 21,930 | — | — |

EXERCISE XVI—No. 17.

PERCENTAGE STATEMENT

| | 1st Year. | % on Pro- duc- tion. | 2nd Year* | % on Pro- duc- tion. | | 1st Year. | % on Pro- duc- tion. | 2nd Year. | % on Pro- duc- tion. |
|------------------|--------------|-------------------------------|--------------|-------------------------------|------------------|--------------|-------------------------------|--------------|-------------------------------|
| Materials used . | £ 22,389 | 61.39 | £ 21,427 | 59.09 | Goods Produced . | £ 36,468 | 100.00 | £ 36,261 | 100.00 |
| Wages . | 7,495 | 20.55 | 7,577 | 20.89 | | | | | |
| Rent and Power . | 1,659 | 4.55 | 1,655 | 4.56 | | | | | |
| Carriage . | 513 | 1.40 | 494 | 1.36 | | | | | |
| Trade Expenses . | 303 | 0.83 | 309 | 0.85 | | | | | |
| Gas and Water . | 213 | 0.60 | 240 | 0.66 | | | | | |
| Travellers . | 719 | 2.00 | 763 | 2.10 | | | | | |
| Repairs . | 426 | 1.16 | 563 | 1.55 | | | | | |
| Insurance . | 78 | 0.21 | 78 | 0.21 | | | | | |
| Depreciation . | 600 | 1.64 | 580 | 1.60 | | | | | |
| | £ 34,395 | 94.33 | £ 33,686 | 92.87 | | £ 36,468 | 100.00 | £ 36,261 | 100.00 |

Note.—The results shown may appear incomplete. They display ALL that is asked for in the question. The necessary item to balance would be, of course, "Net Profit."

Dr. Cr.

MINE WORKING ACCOUNT FOR THE HALF-YEAR ENDED 30TH JUNE, 19..

646

EXERCISE XVI—No. 19 (*contd.*).

MESSRS. J. BERRY & L. FLOWER

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 19..

Cr.

Dr.

| | £ | s. | d. | £ | s. | d. | | £ | s. | d. |
|--|-------|----|----|----------|----|----|--------------------------------------|----------|----|----|
| To Materials and Stores (including Foundry Charges and Repairs to Locomotives) | | | | 1,198 | - | - | By Trading Account | 13,032 | - | - |
| " Travelling Expenses | | | | 40 | - | - | " Branch Railway Income | 705 | - | - |
| " Rates and Taxes | | | | 657 | - | - | " Wagon Hire | 278 | - | - |
| " Land Damages and Compensation | | | | 60 | - | - | " Interest. | 199 | - | - |
| " General Charges | | | | 92 | - | - | | | | |
| " Managers' Salary | | | | 500 | - | - | | | | |
| " Bad Debts Reserve | | | | 591 | - | - | | | | |
| " (Addition thereto) | | | | | | | | | | |
| " Depreciation— | | | | | | | | | | |
| Coal and Coke Wagons | 150 | - | - | | | | | | | |
| Works, Plant, Rolling Stock, &c. | 2,500 | - | - | 2,650 | - | - | | | | |
| " Balance, Net Profit c/d | | | | 8,426 | - | - | | | | |
| | | | | £ 14,214 | - | - | | £ 14,214 | - | - |
| To Capital Accounts— | | | | | | | | | | |
| J. Berry, $\frac{1}{2}$ share | | | | 4,213 | - | - | By Balance (Net Profit) b/d. | 8,426 | - | - |
| L. Flower, $\frac{1}{2}$ share | | | | 4,213 | - | - | | | | |
| | | | | £ 8,426 | - | - | | £ 8,426 | - | - |

EXERCISE XVI—Nos. 20 and 22.

| | | | |
|--------------------|---|--|--------------------------|
| | | | <i>Advanced Accounts</i> |
| For Examples of | { | Manufacturing Account (prime cost only) | see page 777. |
| | | Working Account of a Mine (cost of production) | " " 778. |
| | | " " of a Canal Company | " " 787. |
| | | Furnace Account (both ways) | " " 789. |
| | | | see pages 781-3. |

EXERCISE XVI—No. 21.

The main reasons in support of the "prime" cost basis of the construction of the Manufacturing Account are set out on page 777 of *Advanced Accounts*.

EXERCISE XVI—No. 23.

See answers at end of *Advanced Accounts*.

EXERCISE XVI—No. 24.

See answers at end of *Advanced Accounts*.

MANUFACTURING ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 19..

[illegible]

TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

| <i>Dr.</i> | TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. | <i>Cr.</i> |
|--------------------------|--|------------|
| To Manufacturing Account | £ 3,800 | £ 6,000 |
| „ Balance, Gross Profit | 2,200 | £ 6,000 |
| | £ 6,000 | |

EXERCISE XVI—No. 26 (*contd.*).

| <i>Dr.</i> | | PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | <i>Cr.</i> | |
|-------------------------------------|--------|--|-----------------------------------|------------|-------|
| | | | | | |
| To Office Salaries | £ 410 | s. d. | By Trading Account | £ 2,200 | s. d. |
| " Discount on Sales | 150 | — — | " Discount on Purchases | 100 | — — |
| " Carriage Outwards | 120 | — — | | | |
| " Printing and Stationery | 70 | — — | | | |
| " Rent and Rates | 390 | — — | | | |
| " Travelling Expenses | 130 | — — | | | |
| " General Expenses | 290 | — — | | | |
| " Balance, NET PROFIT | 740 | — — | | | |
| | £2,300 | — — | | £2,300 | — — |

The percentage of NET profit to the manufacturing cost = $\frac{740 \times 100}{3800} = 19.47\%$

EXERCISE XVI—No 27.

(a)

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|--------|--------------------------------|------|----|----|------|----|----|
| 19.. | | | | | | | |
| Jan. 1 | B Dr. | 200 | — | — | | | |
| | To Sales | | | | 200 | — | — |
| " 1 | Bills Receivable Dr. | 200 | — | — | | | |
| | To B | | | | 200 | — | — |
| | Acceptance at three months. | | | | | | |
| " 1 | J Dr. | 200 | — | — | | | |
| | To Bills Receivable | | | | 200 | — | — |
| | Endorsement of B's acceptance | | | | | | |
| | | £600 | — | — | £600 | — | — |

(b) The purchase of a special mechanical scale will first be recorded in the Journal as it is not viewed as a "trade" purchase.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|--|--|-----|----|----|-----|----|----|
| | Machinery Account Dr. | 200 | — | — | | | |
| | To Exact Scale Manufacturing Co., Ltd. | | | | 200 | — | — |

(c)

JOURNAL OF A

| | | £ | s. | d. | £ | s. | d. |
|-----|---|-----|----|----|-----|----|----|
| (1) | Returns Inward Dr. | 5 | — | — | | | |
| | To Jones, Ltd. | | | | 5 | — | — |
| (3) | Jones, Ltd. Dr. | 9 | — | — | | | |
| | To Returns Outward and Allowances Account | | | | 9 | — | — |
| | Jones' Ltd. (Bought Ledger) | 55 | — | — | | | |
| | To Jones, Ltd. (Sales Ledger) | | | | 55 | — | — |
| | | £69 | — | — | £69 | — | — |

JOURNAL OF JONES, LTD.

| | | £ | s. | d. | £ | s. | d. |
|-----|---|-----|----|----|-----|----|----|
| (1) | A Dr. | 5 | — | — | | | |
| | To Returns Outward | | | | 5 | — | — |
| (3) | Returns Inward and Allowances Account Dr. | 9 | — | — | | | |
| | To A | | | | 9 | — | — |
| | A (Bought Ledger) | 55 | — | — | | | |
| | To (Sales Ledger) | | | | 55 | — | — |
| | | £69 | — | — | £69 | — | — |

EXERCISE XVI—No. 27 (contd.)

(c)

| A's Cash Book (Debit side) | Jones, Ltd., Cash Book (Credit side) |
|---|--|
| To Jones, Ltd. £25 (Returned cheque) = | By A £25 (Dishonoured cheque) = |

(a)

LEDGER

| Dr. | SALES ACCOUNT | Cr. |
|-------------------------------|--------------------------|-------------------------------|
| | | By B |
| | | £200 s. d. |
| | | - - |
| Dr. | BILLS RECEIVABLE ACCOUNT | Cr. |
| To B | £200 s. d. | By J |
| | - - | £200 s. d. |
| | | - - |
| Dr. | B | Cr. |
| To Sales | £200 s. d. | By Bills Receivable |
| | - - | £200 s. d. |
| | | - - |
| Dr. | J | Cr. |
| To Bills Receivable | £200 s. d. | |
| | - - | |
| | | |

(b)

LEDGER

| Dr. | MACHINERY ACCOUNT | Cr. |
|--|-------------------------------------|------------------------|
| To Excel Manufacturing Co., Ltd. | £200 s. d. | |
| | - - | |
| | | |
| Dr. | EXACT SCALE MANUFACTURING CO., LTD. | Cr. |
| | | By Machinery |
| | | £200 s. d. |
| | | - - |

(c)

A's BOUGHT LEDGER

| Dr. | JONES, LTD. | Cr. |
|------|----------------------------------|--------------------------|
| 19.. | To Returns Outward, etc. | 19.. |
| | " Jones, Ltd., Account in | By Balance b/f |
| | Sales Ledger | " Cheque |
| | " Cash | |
| | £345 | £320 |
| | - - | 25 |
| | - - | - - |
| | £345 | £345 |
| | - - | - - |
| | - - | - - |

EXERCISE XVI—No. 29.

The January monthly summary of F's Ledger will be £10 too little, and the G Ledger will be in excess by that amount.

The Adjustment Accounts of the Sales Ledgers will show F's credit balance less by £10, and G's more by £10 than is correct.

EXERCISE XVI—No. 30.

See *Advanced Accounts*, pages 323 and 324.

EXERCISE XVI—No. 31.

| Dr. | | VENDORS' ACCOUNT | | | | Cr. | | | |
|--------|-----------------------|------------------|----|----|--------|-------------------------|----------|----|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. | |
| Apr. 1 | To Cash (Deposit) | 3,000 | — | — | Apr. 1 | By Purchase of Business | 33,000 | — | — |
| | " Rent Due | 15 | 7 | 8 | | " Telephone Rent pre- | | | |
| | " Gas and Electric | | | | | paid | 10 | 12 | 11 |
| | Light due | 86 | 17 | — | | " Fire Insurance pre- | | | |
| | Water Rate due | 2 | 10 | — | | paid | 6 | 6 | 6 |
| | " Amounts received on | | | | | " Plate Glass Insur- | | | |
| | account of the Co.. | 10,942 | 13 | 5 | | ance prepaid | 2 | 7 | — |
| July 1 | " Balance c/d | 21,457 | 10 | 10 | | " Amounts paid on | | | |
| | | | | | | a/c of the Company | 2,485 | 12 | 6 |
| | | £ 35,504 | 18 | 11 | | | £ 35,504 | 18 | 11 |
| July 1 | To Share Capital A/c— | | | | July 1 | By Balance b/d | 21,457 | 10 | 10 |
| | Allotment of 25,000 | | | | | " Interest | 288 | 4 | 5 |
| | Shares of £1 each | | | | | " Balance c/d | 3,274 | 4 | 9 |
| | as fully paid up | 25,000 | — | — | | | | | |
| | | £ 25,000 | — | — | | | £ 25,000 | — | — |
| | To Balance b/d | 3,274 | 4 | 9 | | | | | |

EXERCISE XVI—No. 32.

| Dr. | | CONSIGNMENT ACCOUNT | | | | Cr. | | |
|------|------------------------|---------------------|----|----|------|-----------------|---------------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| | To Goods on Consignm/t | 2,000 | — | — | | By B. Bengalee | 2,500 | — |
| | " Cash | 70 | — | — | | (Account Sales) | | |
| | " A. Andrews & Co. | 85 | — | — | | | | |
| | (Commission) | | | | | | | |
| | " Balance | 345 | — | — | | | | |
| | Profit on Consignm/t | | | | | | | |
| | | <u>£2,500</u> | — | — | | | <u>£2,500</u> | — |

| Dr. | | BILLS RECEIVABLE | | | | Cr. | | | |
|------|----------------------|------------------|----|----|------|---------------|-------|----|----|
| 19.. | To B. Bengalee . . . | £ | s. | d. | 19.. | By Bank . . . | £ | s. | d. |
| | | 1,500 | — | — | | | 1,500 | — | — |

EXERCISE XVI—No. 32 (*contd.*).

| <i>Dr.</i> | | | | BANK ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|---------------------|-------|-------|--------------|----------------------|----|-------|------------|--|--|--|
| 19.. | To Bills Receivable | £ | s. d. | 19.. | By Banker's Discount | £ | s. d. | | | | |
| | „ B. Bengalee | 1,500 | - - | | „ Consignm't Charges | 15 | - - | | | | |
| | | 915 | - - | | | 70 | - - | | | | |

| <i>Dr.</i> | | | | B. BENGALEE | | | | <i>Cr.</i> | | | |
|------------|-----------------|--------|-------|-------------|---------------------|--------|-------|------------|--|--|--|
| 19.. | To Consignment | £ | s. d. | 19.. | By Bills Receivable | £ | s. d. | | | | |
| | (Account Sales) | 2,500 | - - | | „ Consignment | 1,500 | - - | | | | |
| | | | | | (Commission) | 85 | - - | | | | |
| | | | | | „ Cash | 915 | - - | | | | |
| | | £2,500 | - - | | | £2,500 | - - | | | | |

| <i>Dr.</i> | | | | DISCOUNT ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|---------|----|-------|------------------|--|--|--|------------|--|--|--|
| 19.. | To Bank | £ | s. d. | | | | | | | | |
| | | 15 | - - | | | | | | | | |

EXERCISE XVI—No. 33

| <i>Dr.</i> | | | | JOINT VENTURE ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|---------------------------|----------|-------|-----------------------|------------------------------|---------|-------|------------|--|--|--|
| 19.. | To Purchase of Debentures | £ | s. d. | 19.. | By Sales of Debentures, i.e. | £ | s. d. | | | | |
| | „ Cost of Issue | 200,000 | - - | | 200,000 £1 each | 210,000 | - - | | | | |
| | „ Balance, Net Profit | 6,000 | - - | | @ 5% premium | | | | | | |
| | Smith | £2,000 | | | | | | | | | |
| | Jones | 2,000 | | | | | | | | | |
| | | 4,000 | - - | | | | | | | | |
| | | £210,000 | - - | | | | | | | | |

| <i>Dr.</i> | | | | SMITH'S ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|---------------------------|----------|-------|-----------------|---|----------|-------|------------|--|--|--|
| 19.. | To Purchase of Debentures | £ | s. d. | 19.. | By Cash | £ | s. d. | | | | |
| | i.e. 20,000 £1 ea. | 21,000 | - - | | (Contribution to Joint Venture) | 100,000 | - - | | | | |
| | @ 5% premium | | | | „ Sales | 22,000 | - - | | | | |
| | „ Balance | 103,000 | - - | | i.e. 20,000 Debentures of £1 @ premium of 10% | | | | | | |
| | | | | | „ Share of Profit on Venture | 2,000 | - - | | | | |
| | | £124,000 | - - | | | £124,000 | - - | | | | |

EXERCISE XVI—No. 33 (*contd.*).

| Dr. | | | | JONES' ACCOUNT | | | | Cr. | | | |
|------|---|----------|-------|----------------|---|----------|-------|-----|--|--|--|
| 19.. | To Purchase of Debentures i.e. 3,000 £1 each @ 5% prem. | £ | s. d. | 19.. | By Cash (Contribution to Joint Venture) Sales of Debentures i.e. 3,000 £1 each @ 9% premium Share of Profit on Venture | £ | s. d. | | | | |
| | | 3,150 | - - | | | 100,000 | - - | | | | |
| | „ Balance | 102,120 | - - | | | 3,270 | - - | | | | |
| | | | | | | 2,000 | - - | | | | |
| | | £105,270 | - - | | | £105,270 | - - | | | | |

EXERCISE XVI—No. 34.

| | | | | B's LEDGER | | | | | | |
|--------|---------------|---|--------|-------------|----|--------|-----------------------------|--------|----|----|
| Dr. | | | | A's ACCOUNT | | Cr. | | | | |
| 19.. | | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 1 | To Goods | . | 500 | — | — | Jan. 1 | By Bills Receivable | 500 | — | — |
| July 3 | " C (Bankers) | . | 500 | 5 | — | July 3 | " C (Bankers) | 100 | — | — |
| " 3 | " Interest | . | 12 | — | 2 | " 3 | " Bills Receivable | 200 | — | — |
| | | | | | | " 3 | (3 mos.) | | | |
| | | | | | | " 3 | " Bills Receivable | 212 | 5 | 2 |
| | | | | | | | (6 mos. including interest) | | | |
| | | | £1,012 | 5 | 2 | | | £1,012 | 5 | 2 |

| <i>Dr.</i> | | | DISCOUNT ACCOUNT | | | INTEREST ACCOUNT | | | <i>Cr.</i> | | |
|------------|----------------|----|------------------|----|--------|------------------|----|----|------------|---|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| Mar. 31 | To C (Bankers) | 12 | 10 | — | July 3 | By A | 12 | — | — | 2 | |

| <i>Dr.</i> | | BILLS RECEIVABLE ACCOUNT | | | | | | <i>Cr.</i> | | |
|------------|--------------|--------------------------|-----|----|----|---------|--------------------|------------|----|----|
| 19.. | | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 1 | To A | | 500 | — | — | Mar. 31 | By C (Bankers) . . | 500 | — | — |
| July 3 | , A— | | | | | | | | | |
| | (3 mos.) | £200 | — | | | | | | | |
| | (6 mos.) | 212 | 5 | 2 | | | | | | |
| | | <u> </u> | 412 | 5 | 2 | | | | | |

| Dr. | | | C (BANKERS) | | | | | Cr. | | | |
|---------|---------------------|--|-------------|----|----|---------|----------------------------|-----|-----|----|----|
| 19.. | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Mar. 31 | To Bills Receivable | | 500 | — | — | Mar. 31 | By Discount Charges | | 12 | 10 | — |
| July 3 | „ A | | 100 | — | — | | (5% for 3 mos.) | | | | |
| | | | | | | | „ A | | 500 | 5 | — |
| | | | | | | | (including Noting Charges) | | | | |

EXERCISE XVI—No. 35.

Dr.

INCOME AND EXPENDITURE ACCOUNT AS AT 31ST DECEMBER, 19..

Cr.

| EXPENDITURE. | | £ | s. | d. | £ | s. | d. | INCOME. | | £ | s. | d. |
|--|---|-----|----|----|--------|----|----|-------------------------------------|---|--------|----|----|
| To Rent | . | | | | 500 | — | — | By Entrance Fees | . | 36 | — | — |
| " Rates, Taxes, Lighting, etc. | . | | | | 436 | — | — | " Annual Subscriptions | . | 2,173 | — | — |
| " Secretary's Remuneration | . | | | | 150 | — | — | " Special Call on Members | . | 314 | — | — |
| " Stewards' and Servants' Wages | . | | | | 600 | — | — | " Receipts— | . | | | |
| " Printing, Stationery | . | | | | 145 | — | — | Cards and Billiards | . | 123 | — | — |
| " Law Charges | . | | | | 18 | — | — | " Profit on Sales | . | 77 | — | — |
| " Washing, Liveries, etc. | . | | | | 107 | — | — | | | | | |
| " Repairs to House Furniture | . | | | | 409 | — | — | | | | | |
| " Conversation Expenses | . | | | | 95 | — | — | | | | | |
| " Interest on Loan | . | | | | 6 | — | — | | | | | |
| " Amounts written off— | . | | | | | | | | | | | |
| Furniture | . | 123 | — | — | | | | | | | | |
| Structural Improvements | . | 100 | — | — | | | | | | | | |
| | | | | | 223 | — | — | | | | | |
| | | | | | 34 | — | — | | | | | |
| Surplus of Income over Expenditure | . | | | | £2,723 | — | — | | | £2,723 | — | — |

EXERCISE XVI—No. 36.

| <i>Dr.</i> | | D's CAPITAL ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|---------------------------|---------------------|----|----|---------|-----------------------------|--------|------------|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 31 | To Drawings Account . . . | 411 | — | 10 | Jan. 1 | By Cash . . . | 3,000 | — | — |
| " 31 | " Balance c/d . . . | 3,626 | 13 | 1 | Dec. 31 | " Interest on Capital . . . | 150 | — | — |
| | | | | | " 31 | " Share of Profit . . . | 887 | 13 | 11 |
| | | £4,037 | 13 | 11 | | | £4,037 | 13 | 11 |

| <i>Dr.</i> | | E's CAPITAL ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|---------------------------|---------------------|----|----|---------|-----------------------------|--------|------------|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 31 | To Drawings Account . . . | 359 | 15 | — | Jan. 1 | By Cash . . . | 2,000 | — | — |
| " 31 | " Balance c/d . . . | 2,374 | 6 | 5 | Dec. 31 | " Interest on Capital . . . | 100 | — | — |
| | | | | | " 31 | " Share of Profit . . . | 634 | 1 | 5 |
| | | £2,734 | 1 | 5 | | | £2,734 | 1 | 5 |

| <i>Dr.</i> | | F's CAPITAL ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|---------------------------|---------------------|----|----|---------|-----------------------------|--------|------------|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 31 | To Drawings Account . . . | 358 | 4 | 7 | Jan. 1 | By Cash . . . | 1,000 | — | — |
| " 31 | " Balance c/d . . . | 1,399 | — | 6 | Dec. 31 | " Interest on Capital . . . | 50 | — | — |
| | | | | | " 31 | " Share of Profit . . . | 507 | 5 | 1 |
| | | | | | " 31 | " Salary . . . | 200 | — | — |
| | | £1,757 | 5 | 1 | | | £1,757 | 5 | 1 |

| <i>Dr.</i> | | D's DRAWINGS ACCOUNT | | | | | | | |
|------------|--|----------------------|-------|-----------|---|---------|----|----|--|
| | | | Mths. | Interest. | | Amount. | | | |
| 19.. | | £ | s. | d. | £ | s. | d. | | |
| Mar. 1 | To Cash . . . | | 10 | 4 3 4 | | 100 | — | — | |
| May 1 | " Cash . . . | | 8 | 2 10 — | | 75 | — | — | |
| July 1 | " Cash . . . | | 6 | 3 2 6 | | 125 | — | — | |
| Sept. 1 | " Cash . . . | | 4 | 16 8 | | 50 | — | — | |
| Nov. 1 | " Cash . . . | | 2 | 8 4 | | 50 | — | — | |
| Dec. 31 | " Interest . . . | | | | | 11 | — | 10 | |
| | Total transferred to DEBIT of Cap. A/c | | | | | £411 | — | 10 | |

EXERCISE XVI—No. 36 (*contd.*).

Dr.

E's DRAWINGS ACCOUNT

| | | Mths. | Interest. | | | Amount. | | |
|--------|--|-------|-----------|----|----|---------|----|----|
| | | | £ | s. | d. | £ | s. | d. |
| 19.. | | | | | | | | |
| Jan. 1 | To Cash | 12 | 2 | 10 | — | 50 | — | — |
| Feb. 1 | „ Cash | 11 | 2 | 5 | 10 | 50 | — | — |
| Apr. 1 | „ Cash | 9 | 1 | 17 | 6 | 50 | — | — |
| Aug. 1 | „ Cash | 5 | 2 | 1 | 8 | 100 | — | — |
| Oct. 1 | „ Cash | 3 | | 17 | 6 | 70 | — | — |
| Dec. 1 | „ Cash | 1 | | 2 | 6 | 30 | — | — |
| „ 31 | „ Interest | | | | | 9 | 15 | — |
| | Total transferred to DEBIT of Cap. A/c | | | | | £359 | 15 | — |

Dr.

F's DRAWINGS ACCOUNT

| | | Mths. | Interest. | | | Amount. | | |
|--------|--|-------|-----------|----|----|---------|----|----|
| | | | £ | s. | d. | £ | s. | d. |
| 19.. | | | | | | | | |
| Mar. 1 | To Cash | 10 | 3 | 2 | 6 | 75 | — | — |
| June 1 | „ Cash | 7 | 2 | 3 | 9 | 75 | — | — |
| Aug. 1 | „ Cash | 5 | 2 | 1 | 8 | 100 | — | — |
| Oct. 1 | „ Cash | 3 | | 12 | 6 | 50 | — | — |
| Dec. 1 | „ Cash | 1 | | 4 | 2 | 50 | — | — |
| „ 31 | „ Interest | | | | | 8 | 4 | 7 |
| | Total transferred to DEBIT of Cap. A/c | | | | | £358 | 4 | 7 |

Dr. **PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..**

663

EXERCISE XVI—No. 37.

See *Advanced Accounts*, Chapter XV (page 545 onwards), for complete range of specimens of Statutory and Statistical Books, which would be necessary in addition to the ordinary Financial Records.

EXERCISE XVI—No. 38.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|---------|---|----------|----|----|----------|----|----|
| Jan. 1 | Business Purchase Account . . . | 50,000 | — | — | | | |
| | To Vendor | | | | 50,000 | — | — |
| | Being purchase price of business as per agreement dated..... | | | | | | |
| " 5 | Application Account | 8,750 | — | — | | | |
| | To Share Capital | | | | 8,750 | — | — |
| | 5/- per share on 35,000 shares. | | | | | | |
| " 6 | Allotment Account | 8,750 | — | — | | | |
| | To Share Capital | | | | 8,750 | — | — |
| | 5/- per share on 35,000 shares. | | | | | | |
| Feb. 10 | Vendor's Account | 40,000 | — | — | | | |
| | To Share Capital | | | | 40,000 | — | — |
| | 40,000 £1 shares issued to vendor as fully paid, being part pay- ment of purchase price of busi- ness. | | | | | | |
| " 10 | Vendor's Account | 10,000 | — | — | | | |
| | To Debentures | | | | 10,000 | — | — |
| | 10,000 5% debentures issued to vendor to complete payment of purchase price of business. | | | | | | |
| " 10 | First Call Account | 8,750 | — | — | | | |
| | To Share Capital | | | | 8,750 | — | — |
| | 5/- per share on 35,000 shares. | | | | | | |
| | | £126,250 | — | — | £126,250 | — | — |

CASH BOOK

(DEBIT SIDE)

| 19.. | | £ | s. | d. |
|--------|----------------------------------|-------|----|----|
| Jan. 5 | To Application Account | 8,750 | — | — |
| " 10 | " Allotment Account | 8,750 | — | — |

EXERCISE XVI—No. 39.

REALIZATION ACCOUNT

Dr. Cr.

| 19.. | To Sundry Assets . " Cash Expenses on Realization . | £ | s. | d. | 19.. | By Cash (including Sun- dry Debtors) . | £ | s. | d. |
|------|---|---------|----|----|------|---|---------|----|----|
| | | 12,620 | — | — | | „ Balance, loss on Realiza- tion transferred to Deficiency A/c— | 12,350 | — | — |
| | | 120 | — | — | | Jones' Share of Deficiency 2/3 of £390 . | 156 | — | — |
| | | | | | | Brown's Sh. of Deficiency 2/3 of £390 . | 156 | — | — |
| | | | | | | Robinson's Sh. of Defcy. 1/3 of £390 . | 78 | — | — |
| | | £12,740 | — | — | | | 390 | — | — |
| | | | | | | | £12,740 | — | — |

Note.—The Author, to complete exercise, has assumed the Debtors to have realized their value; also that Robinson was insolvent.

DEFICIENCY ACCOUNT

Dr. Cr.

| 19.. | To Realization Account . | £ | s. | d. | 19.. | By Cash— Jones . Brown . | £ | s. | d. |
|------|--------------------------|------|----|----|------|---|------|----|----|
| | | 390 | — | — | | „ Robinson's Overdrawn Capital Account . | 312 | — | — |
| | | | | | | | 78 | — | — |
| | | £390 | — | — | | | £390 | — | — |

EXERCISE XVI—No. 39 (contd.).

Dr.

SMITH'S LOAN ACCOUNT

Cr.

| 19.. | To Cash. | . | . | . | £ | s. | d. | 19.. | By Balance | . | . | . | £ | s. | d. |
|------|----------|---|---|---|-----|----|----|------|------------|---|---|---|-----|----|----|
| | | | | | 800 | — | — | | | | | | 800 | — | — |

Dr.

CASH ACCOUNT

Cr.

| 19.. | To Balance | . | . | . | £ | s. | d. | 19.. | By Bank Overdraft. | . | . | . | £ | s. | d. |
|------|-----------------------|---|---|---|--------|----|----|------|------------------------|---|---|---|--------|----|----|
| | " Realization Account | . | . | . | 120 | — | — | | " Sundry Creditors | . | . | . | 1,000 | — | — |
| | " Deficiency Account— | . | . | . | 12,350 | — | — | | " Exps. on Realization | . | . | . | 5,840 | — | — |
| | Brown | . | . | . | 156 | — | — | | " Jones' Loan A/c | . | . | . | 120 | — | — |
| | Jones | . | . | . | 156 | — | — | | " Smith's Loan A/c | . | . | . | 500 | — | — |
| | | | | | | | | | " Capital Accounts— | . | . | . | 800 | — | — |
| | | | | | | | | | Jones, $\frac{1}{4}$ | . | . | . | 2,660 | — | — |
| | | | | | | | | | Brown, $\frac{1}{4}$ | . | . | . | 1,862 | — | — |
| | | | | | | | | | | | | | 12,782 | — | — |

EXERCISE XVI—No. 39 (contd.).

| JONES' CAPITAL ACCOUNT | | | | Cr. | |
|--------------------------------------|--|--|----------------------------------|--------|-------|
| Dr. | | | | | |
| 19.. | | | 19.. | £ | s. d. |
| To Share of Robinson's Overdrawn A/c | | | | 340 | — |
| „ Cash. | | | | 2,660 | — |
| | | | | £3,000 | — |
| | | | By Balance | 3,000 | — |
| | | | (Jones' Loan A/c closed by Cash) | £3,000 | — |

| BROWN'S CAPITAL ACCOUNT | | | | Cr. | |
|--------------------------------------|--|--|------------|--------|-------|
| Dr. | | | | | |
| 19.. | | | 19.. | £ | s. d. |
| To Share of Robinson's Overdrawn A/c | | | | 238 | — |
| „ Cash. | | | | 1,862 | — |
| | | | | £2,100 | — |
| | | | By Balance | 2,100 | — |

| ROBINSON'S CAPITAL OVERDRAWN ACCOUNT | | | | Cr. | |
|--------------------------------------|--|--|-------------------------------------|------|-------|
| Dr. | | | | | |
| 19.. | | | 19.. | £ | s. d. |
| To Balance | | | By Jones' Cap. A/c, 1 st | 340 | — |
| „ Share of Deficiency | | | „ Brown's Cap. A/c, 1 st | 238 | — |
| | | | | £578 | — |

EXERCISE XVI—No. 40.

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|-------------------------------|------|----|----|------|----|----|
| | Share Capital Account . . . | 150 | — | — | | | |
| | To Forfeited Shares A/c . . . | | | | 50 | — | — |
| | „ Calls in Arrears A/c . . . | | | | 100 | — | — |
| | X (shareholder) . . . | 130 | — | — | | | |
| | Forfeited Shares A/c . . . | 20 | — | — | | | |
| | To Share Capital A/c . . . | | | | 150 | — | — |
| | | £300 | — | — | £300 | — | — |

EXERCISE XVI—No. 41.

JOURNAL

| | £ | s. | d. | £ | s. | d. |
|---|----------|----|----|----------|----|----|
| Profit and Loss Account . . . | 76,500 | — | — | | | |
| To Debenture Stock Interest . . . | | | | 40,000 | — | — |
| „ Interest on Mortgages, etc. . . | | | | 10,000 | — | — |
| „ Directors' and Trustees' Fees, etc. . . | | | | 16,000 | — | — |
| „ Loss on House . . . | | | | 5,000 | — | — |
| „ Compensation Levy . . . | | | | 5,500 | — | — |
| Balances transferred. | | | | | | |
| Profit and Loss Account . . . | 43,500 | — | — | | | |
| To Appropriation Account . . . | | | | 43,500 | — | — |
| Balance transferred. | | | | | | |
| Appropriation Account . . . | 43,500 | — | — | | | |
| To Dividends on Pref. Shares . . . | | | | 15,000 | — | — |
| „ Reserve Fund . . . | | | | 28,500 | — | — |
| Balances transferred. | | | | | | |
| | £163,500 | — | — | £163,500 | — | — |

EXERCISE XVI—No. 41 (contd.).

PROFIT AND LOSS ACCOUNT

| Dr. | | PROFIT AND LOSS ACCOUNT | | | | Cr. | | |
|------|-----------------------------|-------------------------|----|----|------|------------|---------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| | To Debenture Stock Interest | 40,000 | — | — | | By Balance | 120,000 | — |
| | „ Interest on Mortgages | 10,000 | — | — | | | | |
| | „ Directors' Fees, etc. | 16,000 | — | — | | | | |
| | „ Loss on House | 5,000 | — | — | | | | |
| | „ Compensation Levy | 5,500 | — | — | | | | |
| | „ Appropriation Account | 43,500 | — | — | | | | |
| | | £120,000 | — | — | | £120,000 | — | — |

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APPROPRIATION ACCOUNT

| APPROPRIATION ACCOUNT | | | | Cr. |
|-----------------------|--------------------------------------|---------|-------|--------------------------------|
| Dr. | | £ | s. d. | |
| 19.. | To Reserve Fund | 28,500 | — | |
| | „ Dividends on Preference Shares . . | 15,000 | — | By Profit and Loss Account . . |
| | | £43,500 | — | |
| | | | | £43,500 |

EXERCISE XVI—No. 42.

TRADING AND PROFIT AND LOSS ACCOUNT

| | DEBIT SIDE | | | | | | CREDIT SIDE | | | | | | TOTAL. | | | | | |
|------------------------|------------|------|----|---------|------|----|-------------|------|----|---------|------|----|----------|-------|----|--|--|--|
| | A DEPT. | | | B DEPT. | | | C DEPT. | | | D DEPT. | | | TOTAL. | | | | | |
| | f | s. | d. | f | s. | d. | f | s. | d. | f | s. | d. | f | s. | d. | | | |
| 19.. | | | | | | | | | | | | | | | | | | |
| To Stock | 5,300 | | | 1,100 | | | 1,400 | | | 700 | | | 500 | | | | | |
| " Purchases | 16,000 | | | 2,000 | | | 12,000 | | | 13,000 | | | 68,000 | | | | | |
| " Gross Profit | 14,700 | | | 9,900 | | | 3,500 | | | 5,280 | | | 33,180 | | | | | |
| | £33,000 | | | £38,000 | | | £15,700 | | | £18,980 | | | £105,680 | | | | | |
| | | 30 % | | | 37 % | | | 15 % | | | 18 % | | | 100 % | | | | |
| To Rent, Rates, etc. | 540 | | | 666 | | | 270 | | | 324 | | | 1,800 | | | | | |
| " Marine Insurance | 720 | | | 888 | | | 360 | | | 432 | | | 2,400 | | | | | |
| " Salaries | 540 | | | 666 | | | 270 | | | 324 | | | 1,800 | | | | | |
| " Travellers' Expenses | 1,620 | | | 1,998 | | | 810 | | | 972 | | | 5,400 | | | | | |
| " Commission | 360 | | | 444 | | | 180 | | | 216 | | | 1,200 | | | | | |
| " Advertising | 1,440 | | | 1,776 | | | 720 | | | 864 | | | 4,800 | | | | | |
| " Stationery, etc. | 810 | | | 999 | | | 405 | | | 486 | | | 2,700 | | | | | |
| " Telegrams | 180 | | | 222 | | | 90 | | | 108 | | | 600 | | | | | |
| " Bank Charges | 36 | | | 44 | | | 18 | | | 21 | | | 120 | | | | | |
| " Discount Account | 450 | | | 555 | | | 225 | | | 270 | | | 1,500 | | | | | |
| " Incidental Expenses | 270 | | | 333 | | | 135 | | | 162 | | | 900 | | | | | |
| " Directors' Fees | 900 | | | 1,110 | | | 450 | | | 540 | | | 3,000 | | | | | |
| " Net Profit | 6,834 | | | 198 | | | | | | 560 | | | 7,593 | | | | | |
| | £14,700 | | | £9,900 | | | £3,933 | | | £5,280 | | | £33,813 | | | | | |
| 19.. | | | | | | | | | | | | | | | | | | |
| By Sales | 30,000 | | | 37,000 | | | 15,000 | | | 18,000 | | | 100,000 | | | | | |
| " Stock | 3,000 | | | 1,000 | | | 700 | | | 980 | | | 5,680 | | | | | |
| | £33,000 | | | £38,000 | | | £15,700 | | | £18,980 | | | £105,680 | | | | | |
| By Trading Accounts | 14,700 | | | 9,900 | | | 3,300 | | | 5,280 | | | 33,180 | | | | | |
| " Net Loss | £14,700 | | | £9,900 | | | £3,933 | | | £5,280 | | | £33,813 | | | | | |

EXERCISE XVI—No. 42 (contd.).

THE GENERAL TRADING CO., LTD.

Dr.

GENERAL PROFIT AND LOSS ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | By Net Profits— A Dept. . B Dept. . C Dept. . | £ | s. | d. |
|------|-------------------------------|---------------|----|----|------|--|---------------|----|----|
| | To Net Loss on C Dept. . | 633 | — | — | | | 6,834 | — | — |
| | " Bad Debts Reserve. . | 300 | — | — | | | 198 | 12 | — |
| | " Discount Reserve . . | 454 | — | — | | | 560 | 8 | — |
| | " Depreciation of Furniture . | 108 | — | — | | | | | |
| | " Balance, Net Profit c/d . | 6,098 | — | — | | | | | |
| | | <u>£7,593</u> | — | — | | | <u>£7,593</u> | — | — |

Dr.

APPROPRIATION ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | By Profit for Year . | £ | s. | d. |
|------|------------------------------|---------------|----|----|------|----------------------|---------------|----|----|
| | To Half-year's Dividend . | 450 | — | — | | | 6,098 | — | — |
| | " Reserve Fund . . | 3,000 | — | — | | | | | |
| | " Balance to Balance Sheet . | 2,648 | — | — | | | | | |
| | | <u>£6,098</u> | — | — | | | <u>£6,098</u> | — | — |

THE GENERAL TRADING CO., LTD.
BALANCE SHEET AS AT 30TH JUNE, 19..

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EXERCISE XVI—No. 43.

THE CHIDDINGFOLD MANUFACTURING CO., LTD.

Dr. TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST JANUARY, 19.. Cr.

| | £ | s. | d. | | £ | s. | d. | | £ | s. | d. |
|--|---------|----|----|--------------------------------|----------|----|----|--|----------|----|----|
| To Stock, 1st Feb. | | | | By Sales. | 174,493 | | | | 167,874 | | |
| " Purchases | 102,664 | | | Less Returns Inwards | 6,619 | | | | 34,839 | | |
| Less Returns Outwards | 3,748 | | | " Stock, 31st Jan. | | | | | | | |
| " Carriage, Dock Dues, etc. | | | | | | | | | | | |
| " Wages (Factory) | | | | | | | | | | | |
| " Fuel, Lighting, and Water | | | | | | | | | | | |
| " Packing | | | | | | | | | | | |
| " Balance, Gross Profit c/d | | | | | | | | | | | |
| | | | | | £202,713 | | | | £202,713 | | |
| To Advertising, | | | | By Trading Account | | | | | 44,943 | | |
| " Postage and Incidentals | | | | " Transfer Fees | | | | | 1 | | |
| " Catalogues and Price Lists | | | | | | | | | | | |
| " Machinery Repairs | | | | | | | | | | | |
| " Stable Expenses | 1,022 | | | | | | | | | | |
| " Office Expenses, Stationery, and Telephone | 25 | | | | | | | | | | |
| Less Telephone Rent prepaid | | | | | | | | | | | |
| Debiture Interest | | | | | | | | | | | |
| Directors' Salaries | | | | | | | | | | | |
| " Salaries and Travellers' Commission | 10,691 | | | | | | | | | | |
| Add Travellers' Commission owing | 342 | | | | | | | | | | |
| Rents, Rates, Taxes, and Insurance | 3,173 | | | | | | | | | | |
| Add Rent due | 379 | | | | | | | | | | |
| | 3,552 | | | | | | | | | | |
| Less Insurance unexpired | 541 | | | | | | | | | | |
| Bad Debts | | | | | | | | | | | |
| " Bank Interest and Charges | | | | | | | | | | | |
| " Legal Expenses and Audit Fee | | | | | | | | | | | |
| " Discount Account | | | | | | | | | | | |
| " Discount Reserve on Debtors (provided) | | | | | | | | | | | |
| Depreciation— | | | | | | | | | | | |
| " Machinery and Plant (10% of £8,750). | 875 | | | | | | | | | | |
| " Carts and Horses | 214 | | | | | | | | | | |
| " Buildings | 903 | | | | | | | | | | |
| Balance, Net Profit c/d | | | | | | | | | £44,944 | | |

THE CHIDDINGFOLD MANUFACTURING CO., LTD.

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EXERCISE XVII—No. 1.

An electrical firm may be manufacturing (a) wireless sets, (b) electric vacuum cleaners, and (c) electric irons, each being produced in a separate department. As there are three distinct classes of goods the factory may be divided into three departments and the cost of each department ascertained. When this has been done the total cost of each can be divided by the output of each to give the cost per unit. The materials used, wages, and expenses should be analysed into departmental costs by means of abstracts, and the sales of each department analysed in the Sales Day Book. A departmental overhead rate should be arrived at for factory expenses and indirect wages after carefully ascertaining the facts by analysis. This factory overhead may be charged to the respective departments on the basis of direct wages, or on working hours, or number of units produced; probably the direct wages basis will render the most reliable results.

The expenses enumerated may be dealt with in Cost Accounts as follows—

(a) Rent and rates allocated to departments on basis of area occupied by each department.

(b) Discount and bank charges divided in ratio to money value of sales from each department.

(c) Depreciation divided according to inventory value of machinery and plant.

(d) Travellers' salaries and expenses apportioned in ratio to money value of sales from each department.

(e) Management salaries allocated in the ratio of wages paid in each department. It is presumed these salaries are for departmental management.

(f) Debenture interest divided according to capital value of assets in each department.

EXERCISE XVII—No. 2.

See *Advanced Accounts*, page 809 (under "Classes of Cost Accounts").

EXERCISE XVII—No. 3.

Simpson & Co., in order to gain the information *re* the cost of the manufacture of various pumps, will inaugurate a system of costing, of which the following suggestions are the main features—

(1) The materials issued for use on each class of pump to be indented for on suitable "Stores Requisition Cards" that will enable the Costing Department to know precisely the amount of materials used on the manufacture of each class of pump.

(2) The wages paid to workmen engaged on constructing the pumps to be entered in a suitably ruled Wages Analysis Book, so that the exact amount of wages paid on each class of pump made may be correctly allocated.

(3) Indirect expenditure must be equitably charged against each class of pump manufactured. For this purpose a proportion on the basis of wages paid on each class of pump made would be a fair charge.

EXERCISE XVII—No. 4.

See *Advanced Accounts*, page 831 (Colliery Cost Sheet).

EXERCISE XVII—No. 5.

See *Advanced Accounts*, page 809 (1st section); also pages 810 and 811. Specimen of Cost Sheet as on page 830 of *Advanced Accounts*.

EXERCISE XVII—No. 6.

The unit or units of output for the preparation of Cost Accounts of—

Breweries is per barrel of beer brewed.

Brickworks is per 1,000 bricks made.

Collieries is per saleable ton of coal raised.

Electric Light Works are (a) per ton of coal used, and (b) 100 Board of Trade units of electricity sold.

Gasworks are (a) per ton of coal carbonized, and (b) 1,000 cu. ft. or therm of gas sold.

Iron and Steel Manufacturers is per ton of iron, or steel produced.

Tramways are (a) per car-mile run, and (b) per k.w. hour.

Water Works is per 1,000 gal. of water consumed.

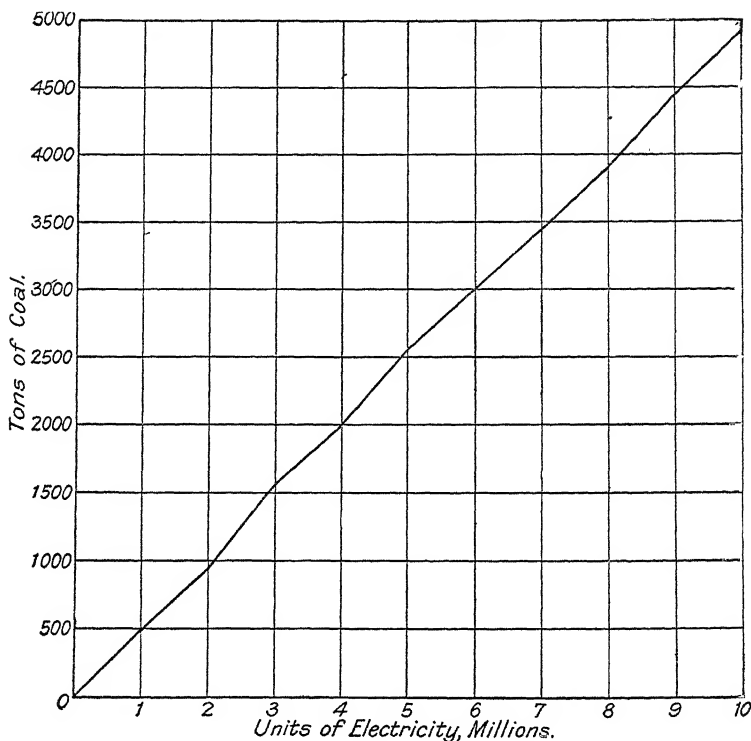
EXERCISE XVII—No. 7.

Conclusions to be drawn are—

- (1) Output has increased in direct ratio with increased expenditure.
- (2) Percentage of expenditure in relation to output is moderate.
- (3) Uniform ratio of expenditure with output for two years suggests that little or no margin for waste of material was possible.
- (3a) Wages appear on the up-grade.
- (4) An efficient system of costing was in operation.

EXERCISE XVII—No. 8.

Chart showing Output of Electricity and Consumption of Coal.



EXERCISE XVII—No. 9.

See *Advanced Accounts*, page 810 (under "Objects of Cost Accounts"). Suitable tests to ensure accuracy are as follows—

(a) The amounts expended on materials and wages should agree with the amounts in the accounts of materials and wages in the financial books (although arrived at independently) by comparison.

(b) If the Cost Books have been kept on the double-entry principle, reconciliation with financial books should be attempted and, if the result is an approximation to agreement, it may be assumed accurate records are being kept.

The advantages of the Card System for Cost Records are—

- (a) Each Card (as illustration) can be withdrawn when it has served its purpose, and filed for future reference.
- (b) Cards can be written up simultaneously by being handed to responsible clerks.
- (c) Any account can be withdrawn without interfering with the correct working of the system, as each CARD bears its own significant INDEX number.

S.M.

Cost of Manufacture of _____ TONS _____ CWTS. _____ during MAY

[illegible]

The information obtained by a careful tabulation of comparative statistics, etc., in relation to—

- (a) *Gross Profit* shows that the selling price has been satisfactorily arrived at so as to give a margin over cost price. The percentage would show precisely the margin of profit—whether adequate or otherwise.
- (b) *Wages* in regard to output or turnover are proved reasonable if not disproportionate to other expenditure on the same work, or in the same business. The percentage figure would readily indicate the proportion of cost of wages to total cost, clearly pointing out to the management just what adjustment (if any) would be necessary.
- (c) *Stock* and (d) *Materials* as regards fluctuation in prices, and as to whether the percentage of such in relation to output or turnover are subject to like variations. If such changes are noted, there is evidence of keen oversight and judicious management. Should the cost of Stock and Materials appear very heavy in relation to output or turnover, it may point to (a) waste of material, or (b) increase cost of material and no advance in selling price, etc.
- (e) *Costs of Distribution* as regards the relation such costs bear to gross profit, indicating on a high percentage that the question of overhead requires close attention; or that office organization needs better supervision. A low

EXERCISE XVII—No. 11 (contd.).

percentage of Costs of Distribution would indicate a satisfactory and efficient administration.

(f) The detection of fraud in Accounts is in regard to fluctuation of percentages generally, calling for close investigation into their cause.

EXERCISE XVII—No. 12.

The firm would require to institute a system of costing in addition to the usual financial records. As the main undertaking of the firm is on CONTRACTS, it would be expedient to have the following additional books—

- (1) Stores Received.
- (2) Stores Issued.
- (3) Stores Ledger.
- (4) Wages Book (analysis columns for wages paid on each CONTRACT).
- (5) Cost (or it may be termed "CONTRACTS") Ledger.

The ordinary Purchase Books may be modified (as to rulings) as is illustrated on page 822 of *Advanced Accounts*.

Materials issued for use on contracts must be by special requisition, and suitable forms will be used.

EXERCISE XVII—No. 13.

See *Advanced Accounts*, pages 825 (under OVERHEAD) and 826

EXERCISE XVII—No. 14.

The answer to Question XVII—No. 12, will suit this question. The co-ordination with the commercial accounts is effected by an adjustment account constructed on the self-balancing Ledger principle.

EXERCISE XVII—No. 15.

The Cost Book Account is the Total Account of Expenditure on Contracts incorporated in the Nominal Ledger, in order to co-ordinate the Cost Books with the financial books.

EXERCISE XVII—No. 16.

The basis on which standing charges and establishment expenses are to be allocated requires a close investigation into questions of expenditure on materials, wages, and of the class and use of machinery before determining the question. Note must be taken, in the instance under consideration, that there are two problems to be overcome: (1) castings in one case are large and heavy, and (2) castings are very small and intricate. The inferences are that in No. 1 the cost of materials would be great and the payment in Wages small (comparatively), and that No. 2 indicates the cost of materials to be small and the payment in Wages to be large (comparatively). The use of machinery in No. 1 may be less expensive than that used on No. 2. It appears, then, that the allocation of OVERHEAD must be on the following bases—

EXERCISE XVII—No. 16 (*contd.*).

(a) For large and heavy castings—

| | | |
|--|------------|---------|
| Materials | £ | |
| Labour | £ | |
| | £ | |
| OVERHEAD— | | |
| Factory (Item No. 1) . | £ | |
| ($\frac{\text{Item No. 1} \times 100}{\text{Materials}}$) | £ | |
| General (Items Nos. 2-5) | £ | |
| ($\frac{\text{Items Nos. 2-5} \times 100}{\text{Factory Cost}}$) | | |
| | TOTAL COST | £ |

(b) For very small and intricate castings—

| | | |
|--|------------|---------|
| Materials | £ | |
| Labour | £ | |
| | £ | |
| OVERHEAD— | | |
| Factory (Item No. 1) . | £ | |
| ($\frac{\text{Item No. 1} \times 100}{\text{Wages}}$) | £ | |
| General (Items 2-5) . | £ | |
| ($\frac{\text{Items Nos. 2-5} \times 100}{\text{Factory Cost}}$) | | |
| | TOTAL COST | £ |

EXERCISE XVII—No. 17.

See *Advanced Accounts*, page 825 (under OVERHEAD).

EXERCISE XVII—No. 18.

REVENUE ACCOUNT (WITH PERCENTAGES FOR OTHER YEARS)

| DEBITS. | Amount. | 3rd Year. | 2nd Year. | 1st Year. |
|--|----------|-----------|-----------|-----------|
| | £ s. d. | % | % | % |
| To Stock, 1st Jan. £3,000, less Stock 31st Dec. £2,000 | 1,000 | 10-00 | 10-25 | 11-00 |
| „ Purchases | 2,500 | 25-00 | 24-60 | 25-75 |
| „ Wages | 3,500 | 35-00 | 34-86 | 36-00 |
| „ Salaries | 750 | 7-50 | 8-05 | 7-23 |
| „ Trade Expenses | 500 | 5-00 | 5-74 | 4-78 |
| „ Office Expenses | 350 | 3-50 | 3-44 | 3-25 |
| „ Bad Debts | 75 | -75 | -65 | -70 |
| „ Commission to Travellers | 100 | 1-00 | 1-20 | 1-13 |
| „ Interest and Commission | 35 | -35 | -40 | -37 |
| „ Balance, NET Profit | 1,190 | 11-90 | 10-81 | 9-79 |
| CREDITS | £ 10,000 | 100-00 | 100-00 | 100-00 |
| By Sales, NET | 10,000 | 100-00 | 100-00 | 100-00 |

The advantages connected with a tabular system of percentages are as enumerated in the answer to Question XVII—No. 11.

The disadvantages are that percentages on actual figures do not explain circumstances that give rise to variations in purely statistical results, and on that account may be misleading.

EXERCISE XVII—No. 19.

Methods of remuneration are discussed on pages 814 to 816 of *Advanced Accounts*.

EXERCISE XVII—No. 20.

Control of "time" is explained on page 812 of *Advanced Accounts*.

EXERCISE XVII—No. 21.

Control of material in a costing system is provided for by the use of the following cards and books. (For explanations of Uses to which Cards and Books are put, see *Advanced Accounts*, pages 817 to 825.)

CARDS.

1. Store Record Card.
2. Bin Card.
3. Store Requisition.
4. Materials Abstract (a sheet).

BOOKS

1. Stores Received Book.
2. Stores Issued Book.
3. Stores Ledger.
4. Purchases (Analysis) Book.
5. Cost Ledger.

EXERCISE XVII—No. 22.

See Form of Wages Abstract on page 816 of *Advanced Accounts*.

EXERCISE XVII—No. 23.

See Chart of Components of Cost on page 811 of *Advanced Accounts*.

EXERCISE XVII—No. 24.

| Dr. | | PUBLICATION OF BOOK ACCOUNT | | | | | | Cr. | | | |
|--------|-------------------------------------|-----------------------------|------|----|----|--------|------------------------|-----|------|----|----|
| | | | £ | s. | d. | | | | £ | s. | d. |
| Year 1 | To Printing Wages | 1 | 120 | - | - | Year 1 | By Sales, 2,500 Copies | 1 | 750 | - | - |
| | " Paper | 1 | 190 | - | - | | at 6s. | | 149 | 10 | - |
| | " Binding Materials | 1 | 110 | - | - | | Stock at Cost c/d | | | | |
| | " Advertising | 1 | 40 | - | - | | | | | | |
| | " Royalties | 1 | 125 | - | - | | | | | | |
| | " Profit on Sales | | 314 | 10 | - | | | | | | |
| | | | £899 | 10 | - | | | | £899 | 10 | - |
| Year 2 | To Stock at Cost b/d | | 149 | 10 | - | Year 2 | By Sales—1,200 at 6s. | | 360 | - | - |
| | " Royalty on 1,300 copies at 1s. | | 35 | - | - | | " Sales—100 at 3s. | | 15 | - | - |
| | " Profit on Sales | | 160 | 10 | - | | | | | | |
| | | | £375 | - | - | | | | £375 | - | - |

EXERCISE XVII—No. 24 (*contd.*)

JOURNAL

| | | | £ | s. | d. | £ | s. | d. |
|--------|---|---|---------------|----------|----------|---------------|----------|----------|
| Year 1 | Publication of Book Account | 2 | 460 | - | - | | | |
| | To Printing Wages | | | | | 120 | - | - |
| | ,, Paper | | | | | 190 | - | - |
| | ,, Binding Materials | | | | | 110 | - | - |
| | ,, Advertising | | | | | 40 | - | - |
| | Transfer of costs of production, etc., of book. | | | | | | | |
| Year 1 | Publication of Book Account | 2 | 125 | - | - | | | |
| | To Author | | | | | 125 | - | - |
| | Royalty at 1s. each on 2,500 copies sold. | | | | | | | |
| | Author | | 125 | - | - | | | |
| | To Bank | | | | | 125 | - | - |
| | Payment of royalty on 2,500 copies sold. | | | | | | | |
| | Sundry Customers | | 750 | - | - | | | |
| | To Publication of Book Account 2,500 copies sold at 6s each. | 2 | | | | 750 | - | - |
| | | | <u>£1,460</u> | <u>-</u> | <u>-</u> | <u>£1,460</u> | <u>-</u> | <u>-</u> |

EXERCISE XVII—No. 25.

STORES LEDGER

Maximum Stock.....
Minimum Stock

Account No.....
Code No.....
Unit.....

Article
Ordering Level

RECEIPTS

ISSUES

| Date | From Whom Received | Delivery Note No | Quantity | Cost per Unit | Invoice Certificate | | Amount | Date | To Whom (or Work) Issued | Requisition Note No | Quantity | Issue Price per Unit | Value |
|--------|--------------------|------------------|----------|---------------|---------------------|----------|----------|-------|--------------------------|---------------------|----------|----------------------|----------|
| | | | | | Date Paid | Initia.s | | | | | | | |
| 19.. | | | | | | | £ s. d. | 19.. | | | | | £ s. d. |
| May 1 | X. Brown | 28 | 100 | 5/6 | 10/6/ | I. W | 27 10 - | May 8 | Job No. 179 | 97 | 50 | 5/6 | 13 15 - |
| " 14 | B. Wilson | 84 | 200 | 5/- | | | 50 - - | " 21 | Job No. 179 | 211 | 100 | 5/- | 28 - - |
| | | | 300 | | | | £77 10 - | " 31 | Balance | | 150 | | 38 15 - |
| | | | | | | | | | | | 300 | | £77 10 - |
| June 1 | Balance | | 150 | | | | "8 15 - | | | | | | |

EXERCISE XVII—No. 25 (contd.).

The first supply of 100 articles have all been issued and 50 of the second supply, leaving 150 of the second supply at 5s. in stock of a value of £37 10s. Care should be taken to charge out issues at cost price on the oldest supply in stock. On this basis the Account would be—

| RECEIPTS | | | | | | | ISSUES | | | | | | |
|----------|-----------------------|-------------------|----------|---------------|---------------------|----------|--------------------|-------------|--------------------------|----------------------|----------|----------------------|-----------|
| Date | From Whom Received | Delivery Note No. | Quantity | Cost per Unit | Invoice Certificate | | Amount | Date | To Whom (or Work) Issued | Requisition Note No. | Quantity | Issue Price per Unit | Value |
| | | | | | Date Paid | Initials | | | | | | | |
| 19.. 1 | X. Brown B. Wilson | 28 | 100 | 5/6 | 10/6' | J. W. | £ s. d. 27 10 - | 19.. | Job No. 179 | 97 | 50 | 5/6 | £ 13 15 - |
| May 14 | | 84 | 200 | 5/- | | | , 21 | Job No. 179 | 211 | 50 | 5/6 | 13 15 - | |
| " " | | | | | | | " 31 | Job No. 179 | 211 | 50 | 5/- | 12 10 - | |
| | | | 300 | | | | £77 10 - | | Balance. | | 300 | 5/- | 37 10 - |
| June 1 | Balance. | | 150 | | | | 37 10 - | | | | | | £77 10 - |

The second Account illustrates a system, which, if used, would result in the values of the physical stock agreeing, within reasonable limits, with the values as disclosed by the stores records.

EXERCISE XVII—No. 26.

The following is a Cost Sheet for the production of Pedestal Bearings—

COST SHEET

Works Order No.: 7841

Date: 5th April, 19..

Customer: F. Wilson

Promised: 20th April, 19..

Particulars: 10 × 3

Delivered: 18th April, 19..

Pedestal Bearings

| Wages | | | | Material Used | Requisition Note No. | | | |
|--------------------------------------|-----------------|----------------|-----------------|---------------|----------------------|-----|-----|-------|
| Shop No. 1 | Shop No. 2 | Shop No. 3 | | | | | | |
| Apr 8 | 12 hours at 2/6 | 2 hours at 2/- | 16 hours at 2/- | Apr. 8 | Iron Castings . | 271 | £ | s. d. |
| 15 | 14 hours at 2/6 | 2 hours at 2/- | 10 hours at 2/- | | Brass Castings . | 272 | 2 | 8 - |
| | | | | | W.I. Bar 1½" . | 273 | 2 | - - |
| | | | | | Steel Nuts . | 274 | 1 | 10 - |
| | 26 hours at 2/6 | 4 hours at 2/- | 26 hours at 2/- | | | | 5 | 6 |
| Total Materials | | | | | | | £ | s. d. |
| Wages— | | | | | | | 6 | 3 6 |
| Shop No. 1—26 hours at 2/6 | | | | | | 3 | 5 | - |
| " 2—4 " 2/- | | | | | | | 8 | - |
| " 3—26 " 2/- | | | | | | 2 | 12 | - |
| Total Wages | | | | | | | 6 | 5 - |
| Factory Expenses— | | | | | | | 12 | 8 6 |
| Shop No. 1—26 hours | | | | | | | | |
| " 2—4 " | | | | | | | | |
| " 30 , at 2/ | | | | | | 3 | - | - |
| " 3—26 " at 3/- | | | | | | 3 | 18 | - |
| Total Factory Overhead | | | | | | | 6 | 18 - |
| Office Overhead, 20% | | | | | | | 19 | 6 6 |
| | | | | | | | 3 | 17 4 |
| | | | | | | | £23 | 3 10 |

A Wages Abstract is made showing the allocation of the total wages paid against the various jobs, and it is from this that the information as to the wages in each of the three shops shown in the Cost Sheet is obtained. Issues from stores of materials for use on jobs are made on Requisition Notes, and it is from these requisitions that particulars of the materials shown in the Cost Sheet are obtained. The Factory Expenses are on the basis of so much per labour hour of each shop, determined from data of actual shop costs divided by shop labour hours. The office overhead is determined from data of actual office overhead divided by factory cost multiplied by 100 to give the percentage of office overhead to be added in Cost Sheets. The materials issued will be recorded in a Materials Abstract Book from which the total stores issued can be determined.

EXERCISE XVII—No. 27.

When possible it is desirable to maintain agreement between the financial and costing records in order that a check may be kept on the costing records, and to avoid undiscovered omissions of material, wages, or other costs in the work of the Costing Section. The extent to which it is desirable to maintain such agreement is the prime cost and works overhead at least, and it may extend also to office overhead. Purchases should be dealt with as follows—

(a) Items from Purchase Analysis Book for goods supplied direct to contracts are posted to the Cost Ledger, and in the financial books these items are posted individually or by means of monthly totals of analysis columns provided for the purpose to appropriate accounts and summarized to the debit of Manufacturing Account.

(b) The summary of material issued from stores prepared from Stores Issue Notes should be recorded in a Materials Abstract Book. The details of materials are posted to the debit of the jobs concerned, and in the financial books the total of these items goes to debit of Manufacturing Account, and credit of Materials Account.

As regards wages the total wages shown by the wages abstract will be charged to the individual jobs in the Cost Ledger and debited in the financial books to Manufacturing Account. Wages chargeable to expenses items will be debited to Expenses Account in the nominal Ledger and the total amount of wages earned credited to the Wages Account.

Carrying out the foregoing the Cost Ledger records are—

| <i>Various Job Accounts</i> | | | | | |
|-----------------------------|-----|----|----|--|--|
| | £ | s. | d. | | |
| To Materials (direct) | 78 | 19 | 6 | | |
| „ Materials (stores issues) | 276 | 9 | 1 | | |
| „ Wages | 129 | 18 | 6 | | |

COST LEDGER SUMMARY

| Job No. | Name | Materials | | | | | | Wages | | |
|---------|--|-----------|----|----|--------|----|----|-------|----|----|
| | | Special | | | Stores | | | | | |
| | | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| 356 | Jones Brothers (and others) <i>Note:</i> These figures summarize what in practice would be given in detail. | 78 | 19 | 6 | 276 | 9 | 1 | 129 | 18 | 6 |

and the financial book records are—

| <i>Dr.</i> | | MATERIALS ACCOUNT | | | | | | <i>Cr.</i> | | |
|------------|--|--------------------------|----|----|--|--|--|------------|----|----|
| | | £ | s. | d. | | | | £ | s. | d. |
| | | | | | By Manufacturing Account Stores Issues as per Issue Note | | | 276 | | 1 |
| <i>Dr.</i> | | DIRECT MATERIALS ACCOUNT | | | | | | <i>Cr.</i> | | |
| | | £ | s. | d. | | | | £ | s. | d. |
| | | | | | By Manufacturing Account | | | 78 | 19 | 6 |
| <i>Dr.</i> | | WAGES ACCOUNT | | | | | | <i>Cr.</i> | | |
| | | £ | s. | d. | | | | £ | s. | d. |
| | | | | | By Manufacturing Account | | | 129 | 18 | 6 |

EXERCISE XVII—No. 27 (contd.).

| <i>Dr.</i> | MANUFACTURING ACCOUNT | | | | | | <i>Cr.</i> |
|-------------------------|-----------------------|----|----|--|--|---|------------|
| | £ | .. | d. | | | £ | s. d. |
| To Materials Used— | | | | | | | |
| Special Purchases . . . | 78 | 19 | 6 | | | | |
| Store Issues . . . | 276 | 9 | 1 | | | | |
| Wages . . . | 129 | 18 | 6 | | | | |

The actual cost of purchases delivered to stores is brought to debit of Materials Account, the balance of that account being the cost of materials in store, and can be checked by physical stock-taking. The cost of purchases of material delivered direct to jobs is debited to Direct Materials Account, and the credit entry should close the account. The wages paid should be debited to Wages Account, the credit entry shown above closing the account, though it may be necessary to take into account wages not allocated that should be transferred to Works Expenses Account. The total of the debit to Manufacturing Account should equal the total of work-in-progress as shown by a schedule taken from the Job Accounts in the Cost Ledger. When a job is completed its cost is shown separately in the Cost Ledger Summary, and is transferred to a Finished Goods Account in the financial books from the Manufacturing Account by the introduction to the credit of that account as a carry-down figure of the cost value of work-in-progress, the balance being cost of work completed, the figure being compared with the completed job total in the Cost Ledger Summary.

EXERCISE XVII—No. 28

The expedient adopted would be for the Lord Mayor's Secretary to pay a cheque for the sum of £2,000 into the Bank of India, London, for the credit of the Indian Famine Fund, Madras.

The Bank would then cable to their Madras Branch advising them to credit the Indian Famine Fund with the amount.

| <i>Dr.</i> | LONDON CASH ACCOUNT | | | | | | <i>Cr.</i> |
|------------|------------------------|--|--|------|---|-------|------------|
| | | | | 19.. | By Indian Famine Fund (Madras) . . . | £ | s. d. |
| | | | | | | 2,000 | - - |

| <i>Dr.</i> | INDIAN FAMINE FUND (MADRAS) | | | | | | <i>Cr.</i> |
|------------|-----------------------------|-------|-------|--|--|--|------------|
| 19.. | To Cash . . . | £ | s. d. | | | | |
| | | 2,000 | - - | | | | |

| <i>Dr.</i> | MADRAS CASH ACCOUNT | | | | | | <i>Cr.</i> |
|------------|--|-------|-------|--|--|--|------------|
| 19.. | To Lord Mayor's Fund (London) . . . | £ | s. d. | | | | |
| | | 2,000 | - - | | | | |

| <i>Dr.</i> | LORD MAYOR'S FUND (LONDON) | | | | | | <i>Cr.</i> |
|------------|----------------------------|--|--|------|---------------|-------|------------|
| | | | | 19.. | By Cash . . . | £ | s. d. |
| | | | | | | 2,000 | - - |

EXERCISE XVII—No. 29.

ACCOUNT SALES OF 74 CASES OF BRADFORD GOODS sold by Messrs. Robinson & Co., for account and risk of Charles Richardson & Co., London.

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|---|-----|----|----|--------|----|----|
| | 30 cases Bradford Goods @ £120 per case | | | | 3,600 | — | — |
| | 24 cases Bradford Goods @ £125 per case | | | | 3,000 | — | — |
| | 20 cases Bradford Goods @ £130 per case | | | | 2,600 | — | — |
| | | | | | £9,200 | — | — |
| | <i>Charges.</i> | | | | | | |
| | Landing Charges | 7 | — | — | | | |
| | Insurance and Freight | 20 | — | — | | | |
| | Commission, 2½% of £9,200. | 230 | — | — | | | |
| | | | | | 257 | — | — |
| | | | | | £8,943 | — | — |

CHAS. RICHARDSON'S LEDGER

| Dr. | | CONSIGNMENT ACCOUNT | | | | Cr. | | |
|--------|------------------------|---------------------|----|----|---------|-------------------|-------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Feb. 1 | To Goods on Consignm't | 7,400 | — | — | Feb. 21 | By Robinson & Co. | 8,943 | — |
| " 1 | Cash— | | | | | (Account Sales) | | |
| | Freight . . . £35 | | | | | | | |
| | Insurance . . 12 | | | | | | | |
| | | 47 | — | — | | | | |
| " 21 | Balance, Net Profit . | 1,496 | — | — | | | | |
| | | £8,943 | — | — | | £8,943 | — | — |

ROBINSON & CO.'S LEDGER

| <i>Dr.</i> | | CONSIGNMENT INWARDS ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|-------------------------------------|-----------------------------|----|----|---------|---------------------|--------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Feb. 21 | To Chas. Richardson . | 7,400 | — | — | Feb. 21 | By Sundry Debtors . | 9,200 | — | — |
| | „ Landing Charges £ 7 | | | | | | | | |
| | „ Insnce. & Freight . 20 | | | | | | | | |
| | „ Commission . 230 | | | | | | | | |
| | (2½% of £9,200) | | | | | | | | |
| | | 257 | — | — | | | | | |
| | „ Balance due to Chas. Richardson . | 1,543 | — | — | | | | | |
| | | £9,200 | — | — | | | £9,200 | — | — |

Dr.

Dr.

Dr.

Dr.

Dr.

DEFICIENCY ACCOUNT

| DEFICIENCY ACCOUNT | | | | | | <i>Cr.</i> | |
|--------------------|----------------------|---|------|----------------------------|-----------------|---------------|--------------|
| <i>Dr.</i> | | | | | | <i>£</i> | <i>s. d.</i> |
| 19.. | To Realization A/c . | . | 19.. | By Cash— A B | . . : . : | 700 700 | - - - |
| | | | | " C's Capital drawn A/c | Over- . : | 1,400 | - |
| | | | | | | 700 | - |
| | | | | | | <u>£2,100</u> | - |
| | | | | | | <u>£2,100</u> | - |

A's CAPITAL ACCOUNT

| Dr. | | A's CAPITAL ACCOUNT | | | | Cr. | |
|------|---------------|---------------------|--------|------|--------------|-------|----|
| 19.. | | | | | | | |
| | To Drawings . | . | | | | | |
| | " Cash. | . | | | | | |
| | | | | | By Balance . | . | |
| | | | | 19.. | | | |
| | | | £ | s. | | £ | s. |
| | | | 1,100 | — | | 6,000 | — |
| | | | 4,900 | — | | | |
| | | | £6,000 | — | | 6,000 | — |
| | | | | | | | |

A's DRAWINGS ACCOUNT

[illegible]

EXERCISE XVII—No. 30 (contd.).

Dr.

B's CAPITAL ACCOUNT

Cr.

| 19.. | To Drawings " Cash | . | . | . | . | 19.. | By Balance. | . | . | . | . | £ | s. | d. |
|------|-----------------------|---|---|---|---|------|-------------|---|---|---|---|--------|----|--------|
| | | | | | | | | | | | | 200 | — | — |
| | | | | | | | | | | | | 2,800 | — | — |
| | | | | | | | | | | | | £3,000 | — | — |
| | | | | | | | | | | | | | | £3,000 |

Dr.

B's DRAWINGS ACCOUNT

Cr.

| 19.. | To C's Overdrawn | . | . | . | . | 19.. | By Balance. " Capital Account | . | . | . | . | £ | s. | d. |
|------|------------------|---|---|---|---|------|----------------------------------|---|---|---|---|------|----|------|
| | | | | | | | | | | | | 900 | — | — |
| | | | | | | | | | | | | £900 | — | — |
| | | | | | | | | | | | | | | £900 |

Dr.

C's CAPITAL OVERDRAWN ACCOUNT

Cr.

| 19.. | To Drawings " Share of Deficiency | . | . | . | . | 19.. | By Capital Account " Balance— A's share = $\frac{2}{3}$ B's share = $\frac{1}{3}$ | . | . | . | . | £ | s. | d. |
|------|--------------------------------------|---|---|---|---|------|--|---|---|---|---|--------|----|--------|
| | | | | | | | | | | | | 3,000 | — | — |
| | | | | | | | | | | | | 700 | — | — |
| | | | | | | | | | | | | £3,700 | — | — |
| | | | | | | | | | | | | | | £3,700 |

FINAL STATEMENT

| 19.. | A receives $\frac{2}{3}$ of £7,700. Less Share of Deficiency | . | . | . | . | 19.. | Cash | . | . | . | . | £ | s. | d. |
|------|---|---|---|---|---|------|------|---|---|---|---|--------|----|--------|
| | | | | | | | | | | | | 4,200 | — | — |
| | | | | | | | | | | | | 2,100 | — | — |
| | | | | | | | | | | | | £6,300 | — | — |
| | | | | | | | | | | | | | | £6,300 |

EXERCISE XVII—No. 31

JOURNAL

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|--|----------|----|----|----------|----|----|
| | Business Purchase Account | 50,000 | — | — | 50,000 | — | — |
| | To B | | | | | | |
| | B | 25,000 | — | — | 25,000 | — | — |
| | To Share Capital Account | | | | | | |
| | Application Account | 12,500 | — | — | | | |
| | Allotment Account | 12,500 | — | — | | | |
| | First Call Account | 12,500 | — | — | | | |
| | Final Call Account | 12,500 | — | — | | | |
| | To Share Capital Account | | | | 50,000 | — | — |
| | 5/- per share on 50,000 shares issued on application, allotment, and calls respectively. | | | | | | |
| | Share Capital Account | 820 | — | — | | | |
| | To Forfeited Shares Account | | | | 615 | — | — |
| | „ Final Call | | | | 205 | — | — |
| | 5/- unpaid on 820 shares. | | | | | | |
| | | £125,820 | — | — | £125,820 | — | — |

Dr.

CASH BOOK

Cr.

| | Bank. | | Bank. |
|------------------------------|--------------|-----------------------------|--------------|
| 19.. | £ s. d. | 19.. | £ s. d. |
| To Application A/c | 12,500 — — | By Vendor | 25,000 — — |
| „ Allotment A/c | 12,500 — — | „ Preliminary Exps. | 2,200 — — |
| „ First Call A/c | 12,500 — — | „ Balance c/d | 22,595 — — |
| „ Final Call A/c | 12,295 — — | | |
| (£12,500 - £205) | | | |
| | £ 49,795 — — | | £ 49,795 — — |

EXERCISE XVII—No. 32.

| Class of Costing | Explanation |
|------------------|--|
| Single . . . | Applicable to businesses supplying a uniform product, such as collieries, breweries, quarries, etc. |
| Departmental . | Used to ascertain the profits of departments. |
| Process . . . | A system used to ascertain the cost of each stage of manufacture through which material passes until it becomes a final product. |
| Job | Used to ascertain the cost of production against each job undertaken. |
| Terminal . . . | Applicable to undertakings where definite contracts are entered into, e.g. building ships. |
| Multiple . . . | This method is used for undertakings in which a number of products are involved bearing little or no apparent relation to each other in cost or selling price, e.g. cycles, hosiery, boots, etc. |
| Operating . . . | A system of costs applied where concerns carrying on public services, e.g. railways, tramways, gas and water undertakings, etc. |

THE ALBURY MINING CO., LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 19..

| Dr. | (Tile Department) | | Cr. |
|--------------------------------------|-------------------|-------|---------|
| | £ | s. d. | £ s. d. |
| To Wages | 2,733 | — | 2,599 |
| " Power, Coal, etc. | 343 | — | 718 |
| " Share of General Expenses. | 104 | — | 197 |
| " Stores used | 56 | — | |
| " Carriage | 215 | — | |
| " Traveller's Commission | 63 | — | |
| | £3,514 | — | £3,514 |

EXERCISE XVII—Nc. 33 (contd.).

THE ALBURY MINING CO., LTD.
BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | PROPERTY AND ASSETS. | |
|------------------------------|----------|----------------------|---------|
| | £ | £ | £ |
| <i>Nominal Capital—</i> | | | |
| 50,000 Ordinary Shares @ £5 | £250,000 | | 7,000 |
| • each | | | 563 |
| | | | 1,100 |
| <i>Issued Capital—</i> | | | 12,038 |
| 20,000 Ordinary Shares of £5 | | | 988 |
| each, 30/- paid | | 30,000 | 718 |
| Bills Payable | 627 | | 359 |
| Sundry Creditors | 3,407 | | 8,184 |
| | | 4,034 | 2,477 |
| | | | 410 |
| | | | 197 |
| | | £34,034 | £34,034 |

EXERCISE XVII—No. 34.

| <i>Dr.</i> | | ROYALTIES ACCOUNT | | | | <i>Cr.</i> | | |
|----------------|---|-------------------|-----------|-----------|----------------------|------------|-----------|-----------|
| | | <i>£</i> | <i>s.</i> | <i>d.</i> | | <i>£</i> | <i>s.</i> | <i>d.</i> |
| 1935 Apr. 1 | To Landlord: Royalty of 1s a ton on 5,000 . | 250 | - | - | By Trading Account . | 250 | - | - |
| 1936 Apr. 1 | To Landlord: Royalty of 1s. a ton on 13,000 . | 650 | - | - | „ Trading Account . | 650 | - | - |
| 1937 Apr. 1 | To Landlord: Royalty of 1s. a ton on 20,000 | £1,000 | - | - | „ Trading Account | £1,000 | - | - |

| <i>Dr.</i> | | SHORT WORKINGS ACCOUNT | | | | <i>Cr.</i> | | |
|----------------|------------------|------------------------|-----------|-----------|------------------------------|------------|-----------|-----------|
| | | <i>£</i> | <i>s.</i> | <i>d.</i> | | <i>£</i> | <i>s.</i> | <i>d.</i> |
| 1935 Apr. 1 | To Landlord . | 250 | - | - | By Balance . c/d | 250 | - | - |
| | To Balance . b/d | 250 | - | - | 1936 Apr. 1 By Landlord . | 150 | - | - |
| | To Balance . b/d | £100 | - | - | Balance c/d | 100 | - | - |
| | | | | | 1937 Apr. 1 By Landlord . | £100 | - | - |

EXERCISE XVII—No. 34 (*contd.*).

LANDLORD'S ACCOUNT

Dr

Cr.

| 1935 Apr. 2 | To Cash . " Income Tax at 4s. 6d. in £ on £500 | £ | s. | d. | t | s. | d. | 1935 Apr. 1 | By Royalty of 1s. a ton on 5,000 tons " Shortworkings Account . . . | £ | s. | d. | £ | s. | d. |
|----------------|---|-----|----|----|--------|----|----|----------------|--|-------|----|----|--------|----|----|
| | | | | | | | | | | | | | | | |
| | | 387 | 10 | — | 500 | — | — | | | 250 | — | — | 500 | — | — |
| 1936 Apr. 1 | To Shortworkings Account . . . | 112 | 10 | — | | | | 1936 Apr. 1 | By Royalty of 1s. a ton on 13,000 tons | 250 | — | — | | | |
| | " Cash . Tax at 4s. 6d. in £ on £500 | 387 | 10 | — | 150 | — | — | | | | | | 650 | — | — |
| | " Income Tax at 4s. 6d. in £ on £500 | 112 | 10 | — | 500 | — | — | | | | | | | | |
| | | | | | £650 | — | — | | | | | | £650 | — | — |
| 1937 Apr. 1 | To Shortworkings Account . . . | 686 | 5 | — | 100 | — | — | 1937 Apr. 1 | By Royalty of 1s. a ton on 20,000 tons | 1 000 | — | — | | | |
| " 2 | " Cash . Tax at 4s. 9d. in £ on £900 | 213 | 15 | — | 900 | — | — | | | | | | 1 000 | — | — |
| | | | | | £1,000 | — | — | | | | | | £1,000 | — | — |

EXERCISE XVII—No. 35.

(a) As repairs and renewals are undertaken at an opportune time, such as to plant and machinery when business is poor and the machinery consequently not running full time, the cost under this heading may vary very considerably in successive years. To avoid revenue being charged each year with very unequal sums, a fixed amount may be charged each year to Profit and Loss Account and credited to a Repairs and Renewals Reserve Account, the actual cost of repairs and renewals in each year being charged to the reserve.

(b) The advantage is that an equal annual amount is charged to revenue for repairs and renewals, the actual cost being thus spread evenly over successive years.

| (c) REPAIRS AND RENEWALS RESERVE | | | | | | | | | |
|----------------------------------|---|------|----|----|-----------|--------------------------------------|------|----|----|
| <i>Dr.</i> | | | | | <i>Cr</i> | | | | |
| Year | | £ | s. | d. | Year | | £ | s. | d. |
| 1 | To Cost of Repairs and Renewals | 163 | 7 | 6 | 1 | By Profit and Loss Account | 300 | - | - |
| | , Balance c/d | 136 | 12 | 6 | | | | | |
| | | £300 | - | - | | | £300 | - | - |
| 2 | To Cost of Repairs and Renewals | 500 | - | - | 2 | By Balance b/d | 136 | 12 | 6 |
| | | £500 | - | - | | „ Profit and Loss Account | 300 | - | - |
| | | | | | | „ Balance c/d | 63 | 7 | 6 |
| 3 | To Balance b/d | 63 | 7 | 6 | 3 | By Profit and Loss Account | 300 | - | - |
| | „ Cost of Repairs and Renewals | 124 | 3 | 6 | | | | | |
| | „ Balance c/d | 112 | 9 | - | | | £300 | - | - |
| | | £300 | - | - | 4 | By Balance b/d | 112 | 9 | - |

(d) The balance of the account would appear in the Balance Sheet. In years 1 and 3 it would be on the liabilities side, and in year 2 on the assets side.

EXERCISE XVIII—No. 1.

See *Advanced Accounts*, page 848 (under appropriate heading).

EXERCISE XVIII—No. 2.

See *Advanced Accounts*, page 848 (under appropriate heading).

EXERCISE XVIII—No. 3.

See *Advanced Accounts*, page 849 (under "Depreciation and Renewals").

EXERCISE XVIII—No. 4.

See *Advanced Accounts*, page 849 (under "Depreciation and Renewals").

EXERCISE XVIII—No. 5.

See *Advanced Accounts*, page 848 (under "Capital Account").

The Capital Account of a Commercial Limited Company shows only the liability of the company to its shareholders.

EXERCISE XVIII—No. 6.

(a) Companies incorporated under special Acts of Parliament for the purpose of acquiring, or constructing, and working large public undertakings, such as—

- | | |
|---------------|--|
| (1) Railways. | (3) Gasworks. |
| (2) Tramways. | (4) Electric Light Installations, etc. |

(b) The principal reason for the application of the Double Account System is in regard to the presentation of Receipts and Expenditure on Capital Account, which is, practically, a Cash Statement explanatory of how the Company has employed the shareholders' money. The statement is the first part of the Double Account Balance Sheet.

EXERCISE XVIII—No. 7.

See *Advanced Accounts*, page 856, for *pro forma* Example of "Capital Receipts and Expenditure Account." Depreciation under the Double Account System is provided by a charge against NET Revenue Account of a fixed annual amount which is credited to a Depreciation Fund Account.

THE CORNWALL COLLIERY CO.
 RECEIPTS AND EXPENDITURE ON CAPITAL ACCOUNT
 FOR THE YEAR ENDED 31ST DECEMBER, 19..

| | Expended to 31st Dec., 19.. | | | Expended During the Year. | | | Total. | | | Received to 31st Dec., 19.. | | | Received During the Year. | | | Total. | | |
|--------------------------------------|-----------------------------|----|----|---------------------------|----|----|----------|----|----|-----------------------------|----|----|---------------------------|----|----|----------|----|----|
| | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| To Lands Acquired | 8,500 | — | — | | | | 8,500 | — | — | | | | | | | | | |
| " Shaft Sinking, etc. | 105,000 | — | — | 6,000 | — | — | 111,000 | — | — | 110,000 | — | — | 10,000 | — | — | 110,000 | — | — |
| " Plant and Machinery | 30,000 | — | — | 5,000 | — | — | 35,000 | — | — | 50,000 | — | — | | | | 60,000 | — | — |
| " Wagons | 10,500 | — | — | 3,000 | — | — | 13,500 | — | — | 30,000 | — | — | | | | 30,000 | — | — |
| " Office Buildings | 3,000 | — | — | | | | 3,000 | — | — | | | | | | | | | |
| " Workmen's Cottages | 8,000 | — | — | 1,000 | — | — | 9,000 | — | — | | | | | | | | | |
| | £185,000 | — | — | £15,000 | — | — | 180,000 | — | — | £190,000 | — | — | £10,000 | — | — | £200,000 | — | — |
| " Balance to Balance Sheet | | | | | | | 20,000 | — | — | | | | | | | | | |
| | | | | | | | £200,000 | — | — | | | | | | | | | |

GENERAL BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | | | ASSETS. | | |
|---------------------------------|---------|----|------------------------------------|---------|----|
| <i>Capital Account—</i> | | | | | |
| Credit Balance | £ | d. | Short Workings | £ | d. |
| Reserve Fund | 20,000 | — | Stock | 1,000 | — |
| Depreciation Fund | 15,000 | — | Sundry Debtors | 12,000 | — |
| Bills Payable | 20,000 | — | Investments | 35,000 | — |
| Sundry Creditors | 6,000 | — | Cash in hand and at Bank | 17,000 | — |
| <i>Profit and Loss Account—</i> | | | | 30,000 | — |
| Balance | 25,000 | — | | | |
| | £95,000 | — | | £95,000 | — |

EXERCISE XVIII—No. 10 (*contd.*).

SINGLE ACCOUNT SYSTEM

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | PROPERTY AND ASSETS. | |
|---|---------|----------------------|----------|
| | £ | £ | £ |
| <i>Nominal Capital—</i> | | | |
| 250,000 Shares of £1 each | 250,000 | | |
| <i>Issued Capital—</i> | | | |
| 110,000 Ordinary Shares of £1 each, fully paid | 110,000 | 111,000 | |
| 60,000 6% Preference Shares of £1 each, fully paid. | 60,000 | 35,000 | |
| | | 13,500 | |
| | | 159,500 | |
| | | 20,000 | |
| Debitures 5% | | | 139,500 |
| Reserve Fund Account | | | 1,000 |
| Bills Payable | | | 12,000 |
| Sundry Creditors | | | 35,000 |
| <i>Profit and Loss Account—</i> | | | 17,000 |
| Balance | | | 30,000 |
| | | | £255,000 |

THE DYNAMO ELECTRIC LIGHTING CO., LTD.

| <i>Dr.</i> | | NET REVENUE ACCOUNT | | <i>Cr.</i> | |
|--|--|---------------------|-------|---------------------------------------|--------|
| | | £ | s. d. | £ | s. d. |
| To Interest on Debentures | | 900 | — | By Balance from Revenue A/c | |
| „ Balance available for Dividend | | 1,565 | — | | 2,465 |
| „ On Ordinary Stock or Shares | | £2,465 | — | | £2,465 |

EXERCISE XVIII—No. 12.

THE DURHAM RAILWAY CO.

RECEIPTS AND EXPENDITURE ON CAPITAL ACCOUNT
FOR THE HALF-YEAR ENDED 31st DECEMBER, 19..

| <i>Dr.</i> | Expended to 30th June, 19.. | Expended during Half-year. | Total. | Received to 30th June, 19.. | Received during Half-year. | Total. |
|---|-----------------------------|----------------------------|------------|---------------------------------------|----------------------------|------------|
| | £ | £ | £ | £ | £ | £ |
| To Lines Open for Traffic | 826,950 | 25,000 | 851,950 | 290,000 | 10,000 | 300,000 |
| „ Lines in Course of Construction | 4,000 | 1,000 | 5,000 | 480,000 | 20,000 | 500,000 |
| „ Lines not commenced | 50 | — | 50 | 24,000 | 1,000 | 25,000 |
| „ Working Stock | 125,000 | 5,000 | 130,000 | 200,000 | — | 200,000 |
| „ Contributions to Joint Lines | 50,000 | — | 50,000 | £994,000 | — | £1,025,000 |
| „ Purchase of Grand Canal | 5,000 | — | 5,000 | — | — | — |
| | £1,011,000 | £31,000 | £1,042,000 | By Balance to Balance Sheet | — | 17,000 |
| | | | | | | £1,042,000 |

EXERCISE XVIII—No. 12 (*contd.*).

THE DURHAM RAILWAY CO.

GENERAL BALANCE SHEET AS AT 31ST DECEMBER, 19..

| | LIABILITIES. | | | ASSETS. | | |
|------------------------------|--------------|--------|----|----------------------------------|----|--------|
| | £ | s. | d. | £ | s. | d. |
| Debts due to other Companies | • | 500 | — | <i>Capital Account—</i> | | |
| Sundry Tradesmen, etc. | • | 20,000 | — | Debit Balance | • | 17,000 |
| Fire Insurance Fund | • | 1,500 | — | Cash at Bank | • | 5,000 |
| Superannuation Fund | • | 5,000 | — | <i>General Stores—</i> | | |
| <i>Net Revenue Account—</i> | | | | Stock of Materials | • | 10,000 |
| Credit Balance | • | 20,000 | — | Traffic Accounts due to Company | • | 10,000 |
| | | | | Amounts due from other Companies | • | 1,000 |
| | | | | Sundry Tradesmen, etc. | • | 4,000 |
| | £ | 47,000 | — | | £ | 47,000 |

EXERCISE XVIII—No. 13.

THE TRENT VALLEY WATER CO.

CAPITAL ACCOUNT, 31ST DECEMBER, 19..

Dr. *Cr.*

| | EXPENDITURE. | | | RECEIPTS. | | |
|---------------------------|--------------|----------|----|---|----------|--------|
| | £ | s. | d. | £ | s. | d. |
| To Purchase of Land | • | 3,000 | — | By 60,000 Ordinary Shares of £1 each | • | 60,000 |
| " Construction of Works | • | 102,330 | — | " 20,000 Preference Shares of £1 each, 6% | • | 20,000 |
| " Mains and Service Pipes | • | 11,920 | — | " Debenture Stock, 5% | • | 20,000 |
| " Meters | • | 1,050 | — | " Premiums on Shares | • | 20,000 |
| " Parliamentary Expenses | • | 2,000 | — | " Balance to Balance Sheet | • | 300 |
| | | £120,300 | — | | £120,300 | — |

EXERCISE XVIII—No. 13 (contd.).

THE TRENT VALLEY WATER CO.

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Dr.

Cr.

| | £ | s. | d. | | £ | s. | d. |
|---|---------|----|----|---------------------------|---------|----|----|
| To Salaries | 600 | — | — | By Water Rents | 14,667 | — | — |
| " Printing | 50 | — | — | " General Rents | 350 | — | — |
| " Incidental Expenses | 37 | — | — | " Transfer Fees | 24 | — | — |
| " Maintenance of Pumping Stations | 1,705 | — | — | | | | |
| " Maintenance of Filter Beds | 150 | — | — | | | | |
| " Maintenance of Reservoirs | 500 | — | — | | | | |
| " Repairs to Mains | 220 | — | — | | | | |
| " General Repairs | 155 | — | — | | | | |
| " Directors' Fees | 400 | — | — | | | | |
| " Auditors' Fees | 50 | — | — | | | | |
| " Rates and Taxes | 2,500 | — | — | | | | |
| " Interest on Debenture Stock | 1,000 | — | — | | | | |
| " Balance to Net Revenue Account | 7,674 | — | — | | | | |
| | £15,041 | — | — | | £15,041 | — | — |

Dr.

NET REVENUE ACCOUNT, 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | | £ | s. | d. |
|---|--------|----|----|---|--------|----|----|
| To Dividend on Preference Shares to date | 1,200 | — | — | By Balance of Net Revenue Account, 1st Jan., 19.. . . . | 1,000 | — | — |
| " Interim Dividend on Ordinary Shares, 1st Aug., 19.. . . . | 3,000 | — | — | " Balance from Revenue Account | 7,674 | — | — |
| " Reserve Fund Account | 242 | — | — | | | | |
| " Balance for distribution | 4,232 | — | — | | | | |
| | £8,674 | — | — | | £8,674 | — | — |

EXERCISE XVIII—No. 13 (*contd.*).

THE TRENT VALLEY WATER CO.

Dr. RESERVE FUND ACCOUNT Cr.

| 19.. Dec. 31 | To Balance • • c/f. | d. s. |
|-----------------|----------------------------------|----------|
| | By Balance „ Net Revenue A/c. | f 500 |
| | | £500 |

GENERAL BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | | ASSETS. | |
|-----------------------------------|------------|---|------------|
| £ | s. d. | £ | s. d. |
| Reserve Fund Account | 500 — — | Balance from Capital Account | 300 — — |
| Sundry Creditors | 841 — — | Stores on hand | 340 — — |
| Unclaimed Dividends | 20 — — | Sundry Debtors for Water Rates, etc. | 1,242 — — |
| Balance from Net Revenue Account. | 4,232 — — | Sundry Debtors | 48 — — |
| | | <i>Investments</i> — | |
| | | National War Loan Stock | 250 — — |
| | | Amount added this date | 250 — — |
| | | Cash at Bank | 3,353 — — |
| | | Less Amount invested in National War Loan Stock | 250 — — |
| | | Cash in hand | 3,103 — — |
| | | | 60 — — |
| | | | |
| | £5,593 — — | | 3,163 — — |
| | | | £5,593 — — |

EXERCISE XVIII—No. 14.

| <i>Dr.</i> | | GAS SALES ACCOUNT | | | | | | <i>Cr.</i> | |
|------------|---------------------------------|----------------------|----|------|-----------------------|------------------------|------|------------|----|
| | | | | 19.. | By Sundry Consumers . | £ | s. | d. | |
| | | | | | | 320 | 10 | — | |
| <i>Dr.</i> | | COKE SALES ACCOUNT | | | | | | <i>Cr.</i> | |
| | | | | 19.. | By J. Smith | £ | s. | d. | |
| | | | | | | 6 | 15 | — | |
| <i>Dr.</i> | | SUNDRY GAS CONSUMERS | | | | | | <i>Cr.</i> | |
| 19.. | To Gas Sales Account . | £ | s. | d. | 19.. | By Cash | £ | s. | d. |
| | | 320 | 10 | — | | 304 | 9 | 6 | |
| | | | | | „ Discount Account . | 16 | — | 6 | |
| | | £320 | 10 | — | | £320 | 10 | — | |
| <i>Dr.</i> | | JOHN SMITH | | | | | | <i>Cr.</i> | |
| 19.. | To Coke | £ | s. | d. | 19.. | By Cash on Account. | £ | s. | d. |
| | | 6 | 15 | — | | „ Balance . . . c/d | 5 | — | — |
| | | | | | | | 1 | 15 | — |
| | | £6 | 15 | — | | | £6 | 15 | — |
| <i>Dr.</i> | | A B CO. | | | | | | <i>Cr.</i> | |
| 19.. | To Gas Fitting Returns . | £ | s. | d. | 19.. | By Gas Fittings . . . | £ | s. | d. |
| | „ Balance . . . c/d | 20 | — | — | | | 125 | — | — |
| | | 105 | — | — | | | | | |
| | | £125 | — | — | | | £125 | — | — |
| <i>Dr.</i> | | GAS FITTINGS ACCOUNT | | | | | | <i>Cr.</i> | |
| 19.. | To A B Co. | £ | s. | d. | 19.. | By A B Co. (Returns) . | £ | s. | d. |
| | | 125 | — | — | | | 20 | — | — |
| <i>Dr.</i> | | DISCOUNT ACCOUNT | | | | | | <i>Cr.</i> | |
| 19.. | To Sundry Gas Consumers | £ | s. | d. | | | | | |
| | | 16 | — | 6 | | | | | |
| <i>Dr.</i> | | CASH ACCOUNT | | | | | | <i>Cr.</i> | |
| 19.. | To Sundry Gas Consrms. | £ | s. | d. | | | | | |
| | „ J. Smith on A/c . . | 304 | 9 | 6 | | | | | |
| | | 5 | — | — | | | | | |
| | | £309 | 9 | 6 | | | | | |

EXERCISE XVIII—No. 15.

MUNICIPAL WATERWORKS LEDGER

ATLAS ASSURANCE CO.

(Loan of £10,000 @ 4% repayable in 20 years. *Terms* :—Principal by equal annual instalments.

| <i>Dr.</i> | | | | <i>Cr.</i> | | | |
|---|--------------------------|----------|-------|------------|--------------------------|----------|-------|
| 19.. | To Cash | £ 500 | s. d. | 19.. | By Cash | £ 10,000 | s. d. |
| | " Cash | 180 | 10 — | | " Interest | 190 | — — |
| | " Income Tax | 9 | 10 — | | | | |
| <i>Dr.</i> MESSRS. STONE & CO., CONTRACTORS | | | | <i>Cr.</i> | | | |
| 19.. | To Cash | £ 400 | s. d. | | | | |
| | | | | | | | |
| <i>Dr.</i> S. JOHNSON & CO. | | | | <i>Cr.</i> | | | |
| 19.. | To Cash | £ 78 | s. d. | 19.. | By Materials | £ 78 | s. d. |
| | | 9 | 6 | | | 9 | 6 |
| <i>Dr.</i> INTEREST ACCOUNT | | | | <i>Cr.</i> | | | |
| 19.. | To Atlas Assurance Co. . | £ 190 | s. d. | | | | |
| | | | | | | | |
| <i>Dr.</i> INCOME TAX ACCOUNT | | | | <i>Cr.</i> | | | |
| | | | | 19.. | By Atlas Assurance Co. . | £ 9 | s. d. |
| | | | | | | 10 | — |
| <i>Dr.</i> MATERIALS ACCOUNT | | | | <i>Cr.</i> | | | |
| 19.. | To S. Johnson & Co. . | £ 78 | s. d. | 19.. | By Repairs to Mains. . | £ 15 | s. d. |
| | | 9 | 6 | | | | |
| <i>Dr.</i> REPAIRS TO MAINS ACCOUNT | | | | <i>Cr.</i> | | | |
| 19.. | To Materials | £ 15 | s. d. | | | | |
| | | | | | | | |
| <i>Dr.</i> CASH ACCOUNT | | | | <i>Cr.</i> | | | |
| 19.. | To Atlas Assurance Co. . | £ 10,000 | s. d. | 19.. | By Atlas Assurance Co. . | £ 500 | s. d. |
| | | | | | " Atlas Assurance Co. . | 180 | 10 — |
| | | | | | " Messrs. Stone & Co. . | 400 | — — |
| | | | | | " S. Johnson & Co. . | 78 | 9 6 |

THE GREAT SOUTHERN RAILWAY

| CAPITAL ACCOUNT FOR THE HALF-YEAR ENDED 31ST DECEMBER, 19.. | | | | | | | | | | Cr. | | | | | |
|--|--|-----------------------------|------------|----------------------------|---------|-----------|------------|--|--------|----------------------------|---------|--------|------------|-----------|---|
| Dr. | | Expended to 30th June, 19.. | | Expended during Half-year. | | Total. | | Receipts to 30th June, 19.. | | Receipts during Half year. | | Total. | | | |
| | | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | | |
| To Expenditure— Upon Lines Open for Traffic. Upon Working Stock | | 9,181,704 | — | 44,304 | — | 9,226,008 | — | By Receipts— Ordinary Stock 4% Preference Stock Debiture Stock Premiums Received " Bal. to Bal. Sheet | | | | | | 5,192,500 | — |
| | | 616,961 | — | 654 | — | 617,615 | — | | | | | | | 2,702,711 | — |
| | | | | | | | | | | | | | | 1,523,258 | — |
| | | | £9,798,665 | — | £44,958 | — | £9,843,623 | — | 53,633 | — | 366,501 | — | £9,843,623 | — | |

| Dr. | REVENUE ACCOUNT FOR THE HALF-YEAR ENDED 31st DECEMBER, 19.. | Cr. |
|---------------------------------------|---|-----------------|
| To Expenditure on Maintenance of Way | | |
| Stations, etc. | 38,373 | |
| Locomotive Power | 93,008 | |
| Carriage and Wagon Repairs | 14,858 | |
| Traffic Expenses | 61,098 | |
| General Charges | 13,342 | |
| Shipping Expenses | 18,199 | |
| Dock and Harbour Expenses and Repairs | 9,371 | |
| Law Charges | 2,697 | |
| Parliamentary Expenses | 3,834 | |
| Compensation | 354 | |
| Mileage and Demurrage | 447 | |
| Rates and Taxes | 31,060 | |
| Government Duty | 395 | |
| Balance carried to Net Revenue A/c | 218,373 | |
| | <u>£505,409</u> | |
| | | |
| By Receipts from Passengers | | 106,401 |
| " Parcels, Carriages, and Horses | | 9,578 |
| " Mails | | 2,641 |
| " Merchandise | | 43,508 |
| " Minerals | | 280,448 |
| " Shipping | | 19,355 |
| " Docks and Harbours | | 39,501 |
| " Rents | | 3,977 |
| | | <u>£505,409</u> |

EXERCISE XVIII—No. 17.

X. Y. Z. CO., LTD.

CAPITAL ACCOUNT

| Expenditure. | Amount Expended to 1st Jan. | | Amount Expended during Year | | Receipts. | | Amount Received to 1st Jan. | | Amount Received during Year | | Total Received | |
|---|-----------------------------------|-------|--------------------------------------|-------|------------------------|--|-----------------------------------|-------|--------------------------------------|-------|-------------------|-------|
| | £ | s. d. | £ | s. d. | | | £ | s. d. | £ | s. d. | £ | s. d. |
| To Freehold Land . . . | 5,000 | — | 5,000 | — | By Share Capital . . . | | 5,000 | — | 3,000 | — | 15,000 | — |
| " Machinery . . . | 6,000 | — | 1,000 | — | " Debentures . . . | | | — | | — | 8,000 | — |
| " Buildings . . . | 2,000 | — | 300 | — | | | | — | | — | | — |
| " Office Furniture . . . | | — | | — | | | | — | | — | | — |
| | 13,000 | — | 1,800 | — | | | | — | | — | | — |
| To Balance to General Balance Sheet . . . | | — | | — | | | | — | | — | £ 23,000 | — |

Dr.

GENERAL BALANCE SHEET AS AT 31st DECEMBER, 19..

Cr.

| | £ | | s. | | d. | |
|---|----------|----|----|----------|----|----|
| | £ | s. | d. | £ | s. | d. |
| Capital Account (balance) . . . | 7,700 | — | — | 6,600 | — | — |
| Sundry Creditors . . . | 1,100 | — | — | 4,000 | — | — |
| Interest due to Debenture Holders . . . | 300 | — | — | 2,200 | — | — |
| Depreciation Fund Account . . . | 5,000 | — | — | 6,000 | — | — |
| Revenue Account (Cr. Balance) . . . | 4,700 | — | — | | | |
| | £ 18,800 | — | — | £ 18,800 | — | — |
| Cash at bank and in hand . . . | | | | | | |
| Investments against Depreciation Fund (as contra) . . . | | | | | | |
| Sundry Debtors . . . | | | | | | |
| Stock . . . | | | | | | |

EXERCISE XVIII—Nos. 18 to 20.

See separate sections of Chapter XVIII on—(a) Gas Companies for answer to Question 18; (b) Water Companies for answer to Question 19; (c) Electric Light Companies for answer to Question 20.

EXERCISE XVIII—No. 21.

(a) Premiums received on an issue of Debentures would be shown as a separate liability in the Balance Sheet, or be transferred to a special account, i.e. "Capital Reserve."

(b) The Policy on A B's life, if accepted as a discharge of A B's debt of £6,000, would be shown in the books of account as under—

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| 19.. | | £ | s. | d. | £ | s. | d. |
|------|---|--------|----|----|--------|----|----|
| | Insurance Co. (Suspense A/c) | 5,000 | — | — | | | |
| | Bad Debts | 1,000 | — | — | | | |
| | To A B | | | | 6,000 | — | — |
| | For life policy endorsed over by A B in satisfaction of debt, and balance of account, irrecoverable, transferred. | | | | | | |
| | | £6,000 | — | — | £6,000 | — | — |

CASH BOOK

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|--|---|----|----|------|----|----|
| | By Insurance Account | | | | £130 | — | — |
| | (Premiums on LIFE policy paid) and so on for each year until the decease of A B. | | | | | | |
| | It would be wise to write off to Profit and Loss the item "Insurance." | | | | | | |

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| (c) | | £ | s. | d. | £ | s. | d. |
|-----|---|--------|----|----|--------|----|----|
| | Plant Account | 750 | — | — | | | |
| | To A Co. | | | | 750 | — | — |
| | Invoice price of machine purchased. | | | | | | |
| | A Co. | 300 | — | — | | | |
| | To Exhibition Account | | | | 300 | — | — |
| | For allowance by vendor for machine exhibited. | | | | | | |
| | | £1,050 | — | — | £1,050 | — | — |

EXERCISE XVIII—No. 22.

The books, in addition to the ordinary Books of Account, to be kept for the purposes of a complete system of Cost Accounts are as detailed below—

(a) Stores Books, i.e.—

(1) Stores Received ; (2) Stores Issued.

(b) Stores Ledger.

(c) Wages Analysis Book.

(d) Cost Ledger.

The system would provide adequate records of—

(1) Materials used.

(2) Wages paid.

(3) The precise cost of a job, provided the Cost Ledger is suitably ruled with analysis columns for showing direct and indirect expenses (factory and office overhead)

EXERCISE XVIII—No. 23.

THE PATENT MIXTURES CO., LTD.

Dr. TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st AUGUST, 19.. Cr.

| | £ | s. | d. | | £ | s. | d. |
|---|--------|----|----|-----------------------|--------|----|----|
| To Stock, 1st Sept. | 3,033 | — | — | By Sales . | 5,571 | — | — |
| " Purchases | 5,130 | — | — | " " Stock, 31st Aug.. | 4,153 | — | — |
| " Wages | 915 | — | — | | | | |
| " Carriage Inwards | 55 | — | — | | | | |
| " Balance, Gross Profit c/d | 591 | — | — | | | | |
| | £9,724 | — | — | | £9,724 | — | — |
| Go Branch Wages and Expenses | 312 | — | — | By Trading Account. | 591 | — | — |
| " Bad Debts | 210 | — | — | " " Balance, Net Loss | 719 | 16 | — |
| " Rent, Rates, and Insurance | 349 | — | — | | | | |
| " Trade Charges | 241 | — | — | | | | |
| " Depreciation of Plant (10% of £2,288) | 228 | 16 | — | | | | |
| | £1,310 | 16 | — | | £1,310 | 16 | — |

EXERCISE XVIII—No. 23 (*contd.*).

THE PATENT MIXTURES CO., LTD.

BALANCE SHEET AS AT 31ST AUGUST, 19..

| CAPITAL AND LIABILITIES. | | | | | | | | | |
|-----------------------------------|--|-------|-------|--------|-------|-----------------------------------|---|--------|-------|
| <i>Nominal Capital</i> — | | £ | s. d. | £ | s. d. | PROPERTY AND ASSETS. | | £ | s. d. |
| 7,500 Ordinary Shares of £1 each | | 7,500 | — | | | Plant and Machinery | . | 2,288 | — |
| | | | | | | Less Depreciation | . | 228 | 16 |
| <i>Issued Capital</i> — | | | | | | Stock. | . | 2,059 | 4 |
| 5,433 Ordinary Shares of £1 each, | | | | 5,433 | — | Sundry Debtors | . | 4,153 | — |
| fully paid | | | | 1,509 | — | Cash in hand | . | 2,890 | — |
| X Y Z Loan | | | | 769 | — | Profit and Loss Account (balance) | . | 3 | — |
| Bank Overdraft | | | | 2,114 | — | | | 719 | 16 |
| Sundry Creditors | | | | | | | | | |
| | | | | £9,825 | — | | | £9,825 | — |

Comments on Final Accounts presented for Criticism—

- (a) Stock and Plant appear to have been merged in the account of Stock. It is advisable to keep distinct accounts of both Stock and Plant.
- (b) Depreciation on Plant is a necessary adjustment at balancing time, and appears to have been overlooked.
- (c) The statement of Capital in the Balance Sheet is incomplete, no indication of NOMINAL OR ACTUAL value of shares being stated.

EXERCISE XVIII—No. 24.

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| 19.. | | £ | s. | d. | £ | s. | d. |
|---------|--|--------|----|----|--------|----|----|
| Mar. .. | Share Capital Account | 1,000 | - | - | | | |
| | To Forfeited Shares Account | | | | 355 | - | - |
| | ,, Final Call | | | | 645 | - | - |
| | 100 shares forfeited by Thomas Robinson for NON-payment of amount due on aforesaid shares. | | | | | | |
| | | £1,000 | - | - | £1,000 | - | - |

EXERCISE XVIII—No. 25.

(1) The issue of Debentures at 90 per cent, repayable at ten years, will appear as a liability in the Balance Sheet, viz., "Debentures £10,000." A proportional amount of the Debenture discount will be written off each year, i.e. $\frac{1}{10}$ of £1,000 = £100, the balance appearing as an asset until extinguished.

(2) The expenditure on advertising a new patent medicine may be written off by either of the following ways—

(a) over a number of years, say, from three to five,
or (b) an amount each year, bearing some relation to the varying turnover, until extinguished.

(3) A debt owing by a director must be shown separately on the asset side of the Balance Sheet.

EXERCISE XVIII—No. 26.

THE SHERBOURNE IRON FURNACE CO., LTD.

Dr. FURNACE ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER, 19.. Cr.

| | Iron Ore. | | Lime-stone. | | Coal and Coke. | | Total. | | | | |
|---------------------------|-----------|-------|-------------|-------|----------------|-------|----------|-------|---|----------|-------|
| | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | | £ | s. d. |
| To Stocks, 1st Oct. | 1,006 | — | 122 | — | 1,400 | — | 2,528 | — | | 58,660 | — |
| Add Purchases | 14,467 | — | 3,320 | — | 27,227 | — | 45,014 | — | | | |
| | 15,473 | — | 3,442 | — | 28,627 | — | 47,542 | — | | | |
| Less Stocks, 30th Sept. | 1,128 | — | 78 | — | 900 | — | 2,106 | — | | | |
| | 14,345 | — | £3,364 | — | 27,727 | — | 45,436 | — | | | |
| Carriage Inwards | | — | | — | | — | 2,000 | — | | | |
| " Wages (Furnaces) | | — | | — | | — | 8,724 | — | | | |
| " Repairs and Renewals of | | — | | — | | — | 2,500 | — | | | |
| " Furnaces, etc. | | — | | — | | — | 58,660 | — | | | |
| | | — | | — | | — | £ 58,660 | — | ✓ | £ 58,660 | — |

By Trading Account
(For transfer of cost of Pig Iron produced)

EXERCISE XVIII—No. 26 (contd.).

THE SHERBOURNE IRON FURNACE CO., LTD.

| TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER, 19.. | | | | | | | | | | Cr. |
|---|--|--|--|--|----------|----|----|---|--|----------|
| Dr. | | | | | | | | | | |
| | | | | | £ | s. | d. | | | |
| To Stock of Pig Iron, 1st Oct. | | | | | 26,272 | - | - | By Sales of Pig Iron | | £86,873 |
| " Furnace A/c (cost of Pig Iron produced) | | | | | 58,660 | - | - | " Stock of Pig Iron, 30th Sept. | | 16,045 |
| " Balance, Gross Profit. | | | | | 17,986 | - | - | | | |
| | | | | | £102,918 | - | - | | | £102,918 |
| | | | | | | | | | | |
| To Rates and Taxes | | | | | 1,297 | - | - | By Trading Account | | 17,986 |
| " Repairs and Renewals of Rolling Stock. | | | | | 1,221 | - | - | | | |
| " Office Salaries and Sundry Wages | | | | | 1,728 | - | - | | | |
| " Travelling Expenses | | | | | 237 | - | - | | | |
| " Insurance (Fire & Employers' Liability). | | | | | 385 | - | - | | | |
| " Law Charges | | | | | 233 | - | - | | | |
| " Bad Debts. | | | | | 9 | - | - | | | |
| " Carriage Outwards | | | | | 3,000 | - | - | | | |
| " Balance, Net Profit c/d | | | | | 9,876 | - | - | | | |
| | | | | | £17,986 | - | - | | | £17,986 |

| Dr. | | APPROPRIATION ACCOUNT | | | | Cr. | | |
|--|--|-----------------------|----|----|-------------------------|---------|----|----|
| | | £ | s. | d. | | £ | s. | d. |
| To Dividends paid 31st March on account of the year ended 30th Sept., 19.. | | 5,995 | — | — | By Balance, 1st Oct. | 7,822 | — | — |
| " Dividend Reserve | | 2,000 | — | — | " Current Year's Profit | 9,876 | — | — |
| " Balance to Balance Sheet | | 9,703 | — | — | | | | |
| | | £17,698 | — | — | | £17,698 | — | — |

EXERCISE XVIII—No. 26 (contd.).

THE SHERBOURNE IRON FURNACE CO., LTD.

BALANCE SHEET AS AT 30TH SEPTEMBER, 19..

| CAPITAL AND LIABILITIES. | | PROPERTY AND ASSETS. | | | |
|------------------------------------|-------|------------------------------------|--------|--------|-------|
| £ | s. d. | £ | s. d. | £ | s. d. |
| <i>Nominal Capital—</i> | | Freehold Premises | | 23,400 | — |
| 150,000 Shares of £1 each. | — | Furnaces, Fixed Plant, & Utensils. | — | 24,920 | — |
| | | Locomotives and Rolling Stock . | — | 7,411 | — |
| <i>Issued Capital—</i> | | <i>Stocks—</i> | | | |
| 120,000 Shares of £1 each, 10/- | — | Pig Iron | 16,045 | | |
| per share called up | — | Limestone | 78 | | |
| Less 100 Shares forfeited . . . | 50 | Coal and Coke | 900 | | |
| | | Iron Ore | 1,128 | | |
| Forfeited Shares Account | — | | | 18,151 | — |
| Dividend Reserve Account | 2,000 | Sundry Debtors | — | 7,257 | — |
| Add Transfer from Profit & Loss | 2,000 | Cash in hand | — | 224 | — |
| | | | | | |
| Bank Overdraft | — | | | | |
| Bills Payable | — | | | | |
| Sundry Creditors | — | | | | |
| <i>Profit and Loss Account—</i> | | | | | |
| Balance available for distribution | — | | | | |
| | | | | £ | |
| | | | | 81,363 | — |

THE A. R. WADDELL CO., LTD.

720

THE A. R. WADDELL CO., LTD.

721

EXERCISE XVIII—No. 27 (contd.).

THE A. R. WADDELL CO., LTD.
BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | | | | | | | | | | | | |
|--|--|---------|-------|---------|-------|-----------------------------------|--|--------|-------|---------|-------|--|--|
| | | £ | s. d. | £ | s. d. | PROPERTY AND ASSETS. | | £ | s. d. | £ | s. d. | | |
| <i>Nominal Capital</i> — | | | | | | Freehold Land and Buildings | | 9,510 | — | 26,000 | — | | |
| 10,000 Ordinary Shares of £10 each | | 100,000 | — | | | Plant, Machinery, and Fixtures | | 951 | — | | — | | |
| | | | | | | Less Depreciation | | | | 8,559 | — | | |
| <i>Issued Capital</i> — | | | | | | Alterations and Improvements | | 2,505 | — | | — | | |
| 500 Ordinary Shares of £10 each issued as fully paid | | | | 5,000 | — | Less £ written off | | 501 | — | | — | | |
| 7,500 Ordinary Shares of £10 each, £7/10/- per share called up | | 56,250 | — | | | Goodwill | | | | 2,004 | — | | |
| | | 250 | — | | | Stock | | | | 10,000 | — | | |
| | | | | | | Sundry Debtors | | 16,342 | — | 12,347 | — | | |
| 5% Debentures | | | | 56,000 | — | Less Bad Debts Reserve | | 500 | — | | — | | |
| Debiture Interest accrued | | | | 5,000 | — | Cash in hand | | | | 15,842 | — | | |
| Reserve for Depreciation of Buildings | | | | 125 | — | Insurance prepaid | | | | 198 | — | | |
| Bank Overdraft | | | | 3,000 | — | Profit and Loss Account (balance) | | | | 50 | — | | |
| Bills Payable | | | | 1,789 | — | | | | | 3,000 | — | | |
| Sundry Creditors | | | | 962 | — | | | | | | — | | |
| | | | | 6,124 | — | | | | | | — | | |
| | | | | | | | | | | | — | | |
| | | | | £78,000 | — | | | | | £78,000 | — | | |

MONTHLY COST SHEET

| | £ | | s. | | d. | | £ | s. | | d. | | £ | s. | | d. | | Per cent of total cost |
|---|-----|----|----|-----|----|----|---|----|----|----|---|------|----|---|----|----|------------------------------|
| | £ | s. | d. | £ | s. | d. | | £ | s. | d. | £ | s. | d. | £ | s. | d. | |
| <i>Direct Materials—</i> | | | | | | | | | | | | | | | | | |
| Pig Iron | 342 | — | — | | | | | | | | | | | | | | |
| Scrap | 68 | — | — | | | | | | | | | | | | | | |
| Direct Wages | | | | 410 | — | — | | | | | | | | | | | |
| | | | | 150 | — | — | | | | | | | | | | | 58.33 |
| <i>Indirect Materials—</i> | | | | | | | | | | | | | | | | | |
| Sand | 4 | — | — | | | | | | | | | | | | | | |
| Limestone | 70 | — | — | | | | | | | | | | | | | | |
| Sundry Stores | 22 | — | — | | | | | | | | | | | | | | |
| Fuel | | | | | | | | | | | | | | | | | |
| <i>Indirect Wages—</i> | | | | | | | | | | | | | | | | | |
| Coremakers | 30 | — | — | | | | | | | | | | | | | | |
| Foremen | 37 | — | — | | | | | | | | | | | | | | |
| Dressers | 39 | — | — | | | | | | | | | | | | | | |
| Other Wages | 34 | — | — | | | | | | | | | | | | | | |
| Overhead Foundry Expenses— | | | | | | | | | | | | | | | | | |
| 40 per cent on £150 direct wages | | | | | | | | | | | | 140 | — | — | | | |
| Cost of producing 420 cwt. castings | | | | | | | | | | | | 60 | — | — | | | |
| Cost per cwt. of castings | | | | | | | | | | | | £960 | — | — | | | |
| | | | | | | | | | | | | £2 | 5 | 9 | | | |

EXERCISE XVIII—No. 29 (*contd.*)

EXERCISE XVIII—No. 29 (contd.)

4

Dr. DEBENTURE DISCOUNT ACCOUNT Cr.

| | | | | | | | | | | | |
|----------------|---------------|------|------------|---------|---------|-------------------|--|--------------|-----------------|--------------|--------------|
| 1932 Jan. 1 | To Debentures | J. 1 | £ 1,000 | s. — | d. — | 1932/36 Jan. 1 | By Amount written off „ Debentures | J. 1 J. 1 | £ 500 500 | s. — — | d. — — |
| | | | £1,000 | — | — | | | | £1,000 | — | — |

| Dr. SHARE CAPITAL ACCOUNT Cr. | | | | | | | | | | | 5 |
|-------------------------------|--|--|--|--|--|----------------|---------------|-----|-------------|-------|-----|
| | | | | | | 1937 Jan. 1 | By Debentures | J 1 | £ 19,000 | s. d. | - - |

| | | | | | | | | | | |
|-------------------------------|--|--|--|--|----------------|---------------|------|----------|--------------|---|
| Dr. SHARE PREMIUM ACCOUNT Cr. | | | | | | | | | | 6 |
| | | | | | 1937 Jan. 1 | By Debentures | J. 1 | £ 500 | s. d. - - | |

| Dr. PROFIT AND LOSS ACCOUNT Cr. | | | | | | | | | | 7 |
|---------------------------------|----------------------------|------|----------|---------|---------|--|--|--|--|---|
| 1932/36 | To Debenture Dis- count | J. 1 | £ 500 | s. - | d. - | | | | | |

EXERCISE XVIII—No. 30.

| Dr. | | | | | | LEASE ACCOUNT | | | | | | Cr. | | | | | |
|--------|------------|-----|--|--------|----|---------------|--------|-----------------|-----|--|--------|-----|----|--|--|--|--|
| Year 1 | To Bank | | | £ | s. | d. | Year 1 | By Depreciation | | | £ | s. | d. | | | | |
| | " Interest | | | 2,000 | | | | " Balance | c/d | | 449 | 5 | 1 | | | | |
| | | | | 80 | - | - | | | | | 1,630 | 14 | 11 | | | | |
| | | | | £2,080 | - | - | | | | | £2,080 | - | - | | | | |
| Year 2 | To Balance | b/d | | 1,630 | 14 | 11 | Year 2 | By Depreciation | | | 449 | 5 | 1 | | | | |
| | " Interest | | | 65 | 4 | 7 | | " Balance | c/d | | 1,246 | 14 | 5 | | | | |
| | | | | £1,695 | 19 | 6 | | | | | £1,695 | 19 | 6 | | | | |
| Year 3 | To Balance | b/d | | 1,246 | 14 | 5 | Year 3 | By Depreciation | | | 449 | 5 | 1 | | | | |
| | " Interest | | | 49 | 17 | 5 | | " Balance | c/d | | 847 | 6 | 9 | | | | |
| | | | | £1,296 | 11 | 10 | | | | | £1,296 | 11 | 10 | | | | |
| Year 4 | To Balance | b/d | | 847 | 6 | 9 | Year 4 | By Depreciation | | | 449 | 5 | 1 | | | | |
| | " Interest | | | 33 | 17 | 10 | | " Balance | c/d | | 431 | 19 | 6 | | | | |
| | | | | £881 | 4 | 7 | | | | | £881 | 4 | 7 | | | | |
| Year 5 | To Balance | b/d | | 431 | 19 | 6 | Year 5 | By Depreciation | | | 449 | 5 | 1 | | | | |
| | " Interest | | | 17 | 5 | 7 | | | | | | | | | | | |
| | | | | £449 | 5 | 1 | | | | | £449 | 5 | 1 | | | | |

EXERCISE XVIII—No. 31.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|--------|---|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Mar. 2 | Re-valuation Account | 510 | — | — | | | |
| | To Stock-in-Trade | | | | 194 | — | — |
| | " Motor Vehicles | | | | 200 | — | — |
| | " Reserve for Bad Debts | | | | 86 | — | — |
| | " Sundry Creditors | | | | 30 | — | — |
| | Agreed reductions in values of assets and introduction of liability omitted. | | | | | | |
| | Plant and Machinery Account | 250 | — | — | | | |
| | To Re-valuation Account | | | | 250 | — | — |
| | Agreed increase in value of plant. | | | | | | |
| | W. Fison: Capital Account | 130 | — | — | | | |
| | T. Barrett: Capital Account | 130 | — | — | | | |
| | To Re-valuation Account | | | | 260 | — | — |
| | Transfer of shares of loss on re-valuation. | | | | | | |
| | Goodwill | 500 | — | — | | | |
| | To W. Fison: Capital Account | | | | 500 | — | — |
| | Introduction of Fison's share of goodwill. | | | | | | |
| | W. Fison: Capital Account | 2,370 | — | — | | | |
| | To W. Fison deceased: Loan transfer | | | | 2,370 | — | — |
| | | | | | | | |
| | | £3,890 | — | — | £3,890 | — | — |

EXERCISE XIX—No. 1.

"Short-workings" relates to the right a lessee of a mine (or quarry) has to recoup out of future excess royalties for "Shorts" (or Short-workings), i.e. deficiencies on Royalties to meet the Minimum Dead Rent in past years. The item is treated as a temporary asset. At the expiry of the period of recoupment of Short-workings the item would be transferred to the Profit and Loss Account.

EXERCISE XIX—No. 2.

INTERNATIONAL WAGON CO.'S LEDGER

| Dr. | | | | | | | HARD COAL COLLIERY CO. | | | | | | | Cr. | | | | | | |
|--------|--------------------------|--|--|--------|----|----|------------------------|-----------------------|--|--|--------|----|----|-----|--|--|--|--|--|--|
| 19.. | | | | £ | s. | d. | 19.. | | | | £ | s. | d. | | | | | | | |
| Jan. 1 | To Sundries | | | 5,000 | — | — | July 1 | By Cash | | | 300 | — | — | | | | | | | |
| July 1 | „ Interest (7%) | | | 175 | — | — | „ 1 | „ Balance c/d | | | 4,875 | — | — | | | | | | | |
| | | | | £5,175 | — | — | | | | | £5,175 | — | — | | | | | | | |
| 19.. | | | | | | | 19.. | | | | | | | | | | | | | |
| July 1 | To Balance b/d | | | 4,875 | — | — | Jan. 1 | By Cash | | | 300 | — | — | | | | | | | |
| 19.. | | | | | | | „ 1 | „ Balance c/d | | | 4,745 | 12 | 6 | | | | | | | |
| Jan. 1 | „ Interest | | | 170 | 12 | 6 | | | | | £5,045 | 12 | 6 | | | | | | | |
| | | | | £5,045 | 12 | 6 | | | | | | | | | | | | | | |
| 19.. | | | | | | | 19.. | | | | | | | | | | | | | |
| Jan. 1 | To Balance b/d | | | 4,745 | 12 | 6 | July 1 | By Cash | | | 300 | — | — | | | | | | | |
| July 1 | „ Interest | | | 166 | 1 | 11 | „ 1 | „ Balance c/d | | | 4,611 | 14 | 5 | | | | | | | |
| | | | | £4,911 | 14 | 5 | | | | | £4,911 | 14 | 5 | | | | | | | |
| 19.. | | | | | | | 19.. | | | | | | | | | | | | | |
| July 1 | To Balance b/d | | | 4,611 | 14 | 5 | Jan. 1 | By Cash | | | 300 | — | — | | | | | | | |
| 19.. | | | | | | | „ 1 | „ Balance c/d | | | 4,473 | 2 | 7 | | | | | | | |
| Jan. 1 | „ Interest | | | 161 | 8 | 2 | | | | | £4,773 | 2 | 7 | | | | | | | |
| | | | | £4,773 | 2 | 7 | | | | | | | | | | | | | | |
| 19.. | | | | | | | 19.. | | | | | | | | | | | | | |
| Jan. 1 | To Balance b/d | | | 4,473 | 2 | 7 | July 1 | By Cash | | | 300 | — | — | | | | | | | |
| July 1 | „ Interest | | | 156 | 11 | 2 | „ 1 | „ Balance c/d | | | 4,329 | 13 | 9 | | | | | | | |
| | | | | £4,629 | 13 | 9 | | | | | £4,629 | 13 | 9 | | | | | | | |
| 19.. | | | | | | | 19.. | | | | | | | | | | | | | |
| July 1 | To Balance b/d | | | 4,329 | 13 | 9 | Jan. 1 | By Cash | | | 300 | — | — | | | | | | | |
| 19.. | | | | | | | „ 1 | „ Balance c/d | | | 4,181 | 4 | 6 | | | | | | | |
| Jan. 1 | „ Interest | | | 151 | 10 | 9 | | | | | £4,481 | 4 | 6 | | | | | | | |
| | | | | £4,481 | 4 | 6 | | | | | | | | | | | | | | |
| 19.. | | | | | | | 19.. | | | | | | | | | | | | | |
| Jan. 1 | To Balance b/d | | | 4,181 | 4 | 6 | | | | | | | | | | | | | | |

HARD COAL COLLIERY CO.'S LEDGER

| <i>Dr.</i> | | | | WAGON ACCOUNT | | | | <i>Cr.</i> | | | | |
|------------|----------------|--|--|---------------|----|----|--------|----------------|--|------|----|----|
| 19.. | | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| July 1 | To Wagon Co. | | | 125 | — | — | July 1 | By Balance c/d | | 125 | — | — |
| 19.. | | | | | | | 19.. | | | | | |
| July 1 | To Balance b/d | | | 125 | — | — | Jan. 1 | By Balance c/d | | 254 | 7 | 6 |
| 19.. | | | | | | | | | | | | |
| Jan. 1 | „ Wagon Co. | | | 129 | 7 | 6 | | | | | | |
| | | | | £254 | 7 | 6 | | | | £254 | 7 | 6 |
| 19.. | | | | | | | 19.. | | | | | |
| Jan. 1 | To Balance b/d | | | 254 | 7 | 6 | July 1 | By Balance c/d | | 388 | 5 | 7 |
| July 1 | „ Wagon Co. | | | 133 | 18 | 1 | | | | | | |
| | | | | £388 | 5 | 7 | | | | £388 | 5 | 7 |

EXERCISE XIX—No. 2 (*contd.*).

| <i>Dr.</i> | | | WAGON ACCOUNT (<i>contd.</i>). | | | <i>Cr.</i> | | |
|------------|----------------------|--|----------------------------------|----|----|------------|----------------------|------------|
| 19.. | | | £ | s. | d. | 19.. | | |
| July 1 | To Balance b/d . . . | | 388 | 5 | 7 | Jan. 1 | By Balance c/d . . . | £ 526 17 5 |
| 19.. | | | | | | | | |
| Jan. 1 | „ Wagon Co. . . . | | 138 | 11 | 10 | | | |
| | | | £526 | 17 | 5 | | | £526 17 5 |
| 19.. | | | | | | 19.. | | |
| Jan. 1 | To Balance b/d . . . | | 526 | 17 | 5 | July 1 | By Balance c/d . . . | 670 6 3 |
| July 1 | „ Wagon Co. . . . | | 143 | 8 | 10 | | | |
| | | | £670 | 6 | 3 | | | £670 6 3 |
| 19.. | | | | | | 19.. | | |
| July 1 | To Balance b/d . . . | | 670 | 6 | 3 | Jan. 1 | By Balance c/d . . . | 818 15 6 |
| 19.. | | | | | | | | |
| Jan. 1 | „ Wagon Co. . . . | | 148 | 9 | 3 | | | |
| | | | £818 | 15 | 6 | | | £818 15 6 |
| 19.. | | | | | | | | |
| Jan. 1 | To Balance b/d . . . | | 818 | 15 | 6 | | | |

EXERCISE XIX—No. 3.

B. S. COAL CO.'S LEDGER

Dr. INSTALMENTS ON WAGONS ON HIRE-PURCHASE ACCOUNT *Cr.*

| | | | | | | | | | |
|--------|----------------------|-------|------|------|--------|-----------------------|-------|------|------|
| Year 1 | To Cash | £ 150 | s. — | d. — | Year 1 | By Depreciation . . . | £ 115 | s. — | d. — |
| | „ Wagon Account . . | 200 | — | — | | „ Balance c/d . . . | 235 | — | — |
| | | £350 | — | — | | | £350 | — | — |
| Year 2 | To Balance b/d . . . | 235 | — | — | Year 2 | By Depreciation . . . | 103 | 10 | — |
| | „ Wagon Account . . | 200 | — | — | | „ Balance c/d . . . | 331 | 10 | — |
| | | £435 | — | — | | | £435 | — | — |
| Year 3 | To Balance b/d . . . | 331 | 10 | — | Year 3 | By Depreciation . . . | 93 | 3 | — |
| | „ Wagon Account . . | 200 | — | — | | „ Balance c/d . . . | 438 | 7 | — |
| | | £531 | 10 | — | | | £531 | 10 | — |
| Year 4 | To Balance b/d . . . | 438 | 7 | — | Year 4 | By Depreciation . . . | 83 | 16 | 8 |
| | „ Wagon Account . . | 200 | — | — | | „ Balance c/d . . . | 554 | 10 | 4 |
| | | £638 | 7 | — | | | £638 | 7 | — |
| Year 5 | To Balance b/d . . . | 554 | 10 | 4 | Year 5 | By Depreciation . . . | 75 | 9 | 1 |
| | „ Wagon Account . . | 200 | — | — | | „ Balance c/d . . . | 679 | 1 | 3 |
| | | £754 | 10 | 4 | | | £754 | 10 | 4 |

EXERCISE XIX—No. 3 (contd.).

| Dr. WAGON HIRE ACCOUNT | | | | Dr. WAGON CO. | | | |
|------------------------|--------------------|-----|-------|---------------|-----------------|------|-------|
| | | £ | s. d. | | | £ | s. d. |
| Year 1 | To Wagon Co. . . . | £50 | — — | Year 1 | To Cash | £400 | — — |
| Year 2 | To Wagon Co. . . . | £40 | — — | Year 2 | To Cash | £240 | — — |
| Year 3 | To Wagon Co. . . . | £30 | — — | Year 3 | To Cash | £230 | — — |
| Year 4 | To Wagon Co. . . . | £20 | — — | Year 4 | To Cash | £220 | — — |
| Year 5 | To Wagon Co. . . . | £10 | — — | Year 5 | To Cash | £210 | — — |
| | (A) | | | | (B) | | |

(A) Cr. side of account each year would be closed by "Profit and Loss Account."

(B) Cr. side of account each year would be stated "By Sundries."

EXERCISE XIX—No. 4.

| Dr. HIRE-PURCHASE ACCOUNT | | | | Cr. | | | |
|---------------------------|--|----|-------|-----------|--|----|-------|
| | | £ | s. d. | | | £ | s. d. |
| 19.. | | | | 19.. | | | |
| Jan. 1 | To Sales (at cost) . . | 1 | 17 6 | Jan.-Dec. | By Cash | | 18 4 |
| Dec. 31 | „ Balance—Current year's profit . . | | 5 10 | | i.e. (4 quarterly instalments of 4/7 each) | | |
| | | | | Dec. 31 | „ Stock (at cost). in hands of customr i.e. $\frac{2}{3}$ of £1/17/6 | 1 | 5 — |
| | | £2 | 3 4 | | | £2 | 3 4 |

EXERCISE XIX—No. 5.

COLLIERY CO.'S LEDGER

| Dr. INSTALMENTS ON WAGONS ON HIRE-PURCHASE ACCOUNT | | | | Cr. | | | |
|--|----------------------|--------|-------|--------|-----------------------|--------|-------|
| | | £ | s. d. | | | £ | s. d. |
| Year 1 | To Wagon Co. . . . | £391 | 15 3 | Year 1 | By Depreciation . . . | £216 | 9 6 |
| | | | | | „ Balance c/d . . . | 175 | 5 9 |
| | | £391 | 15 3 | | | £391 | 15 3 |
| Year 2 | To Balance b/d . . . | 175 | 5 9 | Year 2 | By Depreciation . . . | 194 | 16 6 |
| | „ Wagon Co. . . . | 411 | 7 — | | „ Balance c/d . . . | 391 | 16 3 |
| | | £586 | 12 9 | | | £586 | 12 9 |
| Year 3 | To Balance b/d . . . | 391 | 16 3 | Year 3 | By Depreciation . . . | 175 | 6 11 |
| | „ Wagon Co. . . . | 431 | 18 4 | | „ Balance c/d . . . | 648 | 7 8 |
| | | £823 | 14 7 | | | £823 | 14 7 |
| Year 4 | To Balance b/d . . . | 648 | 7 8 | Year 4 | By Depreciation . . . | 157 | 16 2 |
| | „ Wagon Co. . . . | 453 | 10 4 | | „ Balance c/d . . . | 944 | 1 10 |
| | | £1,101 | 18 — | | | £1,101 | 18 — |
| Year 5 | To Balance b/d . . . | 944 | 1 10 | Year 5 | By Depreciation . . . | 142 | — 7 |
| | „ Wagon Co. . . . | 476 | 3 10 | | „ Balance c/d . . . | 1,278 | 5 1 |
| | | £1,420 | 5 8 | | | £1,420 | 5 8 |
| Year 6 | To Balance b/d . . . | 1,278 | 5 1 | | | | |

EXERCISE XIX—No. 5 (contd.).

| <i>Dr.</i> | | | | | WAGON ACCOUNT | | | | | <i>Cr.</i> | | | | |
|------------|----------------------|---------------|-----------|-----------|---------------|-----------------------|---------------|-----------|-----------|------------|--|--|--|--|
| | | £ | s. | d. | | | £ | s. | d. | | | | | |
| Year 1 | To Cash | 2,164 | 14 | 9 | Year 1 | By Depreciation . . . | 216 | 9 | 6 | | | | | |
| | | | | | | " Balance c/d . . . | 1,948 | 5 | 3 | | | | | |
| | | <u>£2,164</u> | <u>14</u> | <u>9</u> | | | <u>£2,164</u> | <u>14</u> | <u>9</u> | | | | | |
| Year 2 | To Balance b/d . . . | 1,948 | 5 | 3 | Year 2 | By Depreciation . . . | 194 | 16 | 6 | | | | | |
| | | | | | | " Balance c/d . . . | 1,753 | 8 | 9 | | | | | |
| | | <u>£1,948</u> | <u>5</u> | <u>3</u> | | | <u>£1,948</u> | <u>5</u> | <u>3</u> | | | | | |
| Year 3 | To Balance b/d . . . | 1,753 | 8 | 9 | Year 3 | By Depreciation . . . | 175 | 6 | 11 | | | | | |
| | | | | | | " Balance c/d . . . | 1,578 | 1 | 10 | | | | | |
| | | <u>£1,753</u> | <u>8</u> | <u>9</u> | | | <u>£1,753</u> | <u>8</u> | <u>9</u> | | | | | |
| Year 4 | To Balance b/d . . . | 1,578 | 1 | 10 | Year 4 | By Depreciation . . . | 157 | 16 | 2 | | | | | |
| | | | | | | " Balance c/d . . . | 1,420 | 5 | 8 | | | | | |
| | | <u>£1,578</u> | <u>1</u> | <u>10</u> | | | <u>£1,578</u> | <u>1</u> | <u>10</u> | | | | | |
| Year 5 | To Balance b/d . . . | 1,420 | 5 | 8 | Year 5 | By Depreciation . . . | 142 | — | 7 | | | | | |
| | | | | | | " Balance c/d . . . | 1,278 | 5 | 1 | | | | | |
| | | <u>£1,420</u> | <u>5</u> | <u>8</u> | | | <u>£1,420</u> | <u>5</u> | <u>8</u> | | | | | |
| Year 6 | To Balance b/d . . . | 1,278 | 5 | 1 | | | | | | | | | | |

| <i>Dr.</i> | | WAGON CO. | | | <i>Dr.</i> | | WAGON HIRE ACCOUNT | | |
|------------|-------------------|-----------|----|----|------------|----------------------|--------------------|----|----|
| | | £ | s. | d. | | | £ | s. | d. |
| Year 1 | To Cash | £500 | — | — | Year 1 | To Wagon Co. | £108 | 4 | 9 |
| Year 2 | To Cash | £500 | — | — | Year 2 | To Wagon Co. | £88 | 13 | — |
| Year 3 | To Cash | £500 | — | — | Year 3 | To Wagon Co. | £68 | 1 | 8 |
| Year 4 | To Cash | £500 | — | — | Year 4 | To Wagon Co. | £46 | 9 | 8 |
| Year 5 | To Cash | £500 | — | — | Year 5 | To Wagon Co. | £23 | 16 | 2 |
| (A) | | | | | (B) | | | | |

(A) On the *Cr.* side of account each year would be stated "By Sundries."(B) On the *Cr.* side each year is closed by "Profit and Loss Account."

EXERCISE XIX—No. 5 (contd.).

SELLER'S BOOKS

| Dr. | | COLLIERY Co. | | | | Cr. | | |
|--------|---|--------------|----|----|--------|-------------------------|--------|----|
| | | £ | s. | d. | | £ | s. | d. |
| Year 1 | To Hire Purchases Sales Account | 2,164 | 14 | 9 | Year 1 | By Cash | 500 | — |
| | „ Interest | 108 | 4 | 9 | | „ Balance c/d | 1,772 | 19 |
| | | £2,272 | 19 | 6 | | | £2,272 | 19 |
| Year 2 | To Balance b/d | 1,772 | 19 | 6 | Year 2 | By Cash | 500 | — |
| | „ Interest | 88 | 13 | — | | „ Balance c/d | 1,361 | 12 |
| | | £1,861 | 12 | 6 | | | £1,861 | 12 |
| Year 3 | To Balance b/d | 1,361 | 12 | 6 | Year 3 | By Cash | 500 | — |
| | „ Interest | 68 | 1 | 8 | | „ Balance c/d | 929 | 14 |
| | | £1,429 | 14 | 2 | | | £1,429 | 14 |
| Year 4 | To Balance b/d | 929 | 14 | 2 | Year 4 | By Cash | 500 | — |
| | „ Interest | 46 | 9 | 9 | | „ Balance c/d | 476 | 3 |
| | | £976 | 3 | 11 | | | £976 | 3 |
| Year 5 | To Balance b/d | 476 | 3 | 11 | Year 5 | By Cash | 500 | — |
| | „ Interest | 23 | 16 | 1 | | | £500 | — |
| | | £500 | — | — | | | £500 | — |

| <i>Dr.</i> | | HIRE-PURCHASE INTEREST ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|------------------------------|--------------------------------|----|----|--------|-------------------------|------|----|---|
| | | £ | s. | d. | | £ | s. | d. | |
| Year 1 | To Profit and Loss | £108 | 4 | 9 | Year 1 | By Colliery Co. | £108 | 4 | 9 |
| Year 2 | To Profit and Loss | £88 | 13 | — | Year 2 | By Colliery Co. | £88 | 13 | — |
| Year 3 | To Profit and Loss | £68 | 1 | 8 | Year 3 | By Colliery Co. | £68 | 1 | 8 |
| Year 4 | To Profit and Loss | £46 | 9 | 9 | Year 4 | By Colliery Co. | £46 | 9 | 9 |
| Year 5 | To Profit and Loss | £23 | 16 | 2 | Year 5 | By Colliery Co. | £23 | 16 | 2 |

EXERCISE XIX—No. 6.

JOURNAL OF BUYER

| | | £ | s. | d. | | £ | s. | d. |
|--------|--|-------|----|----|--|-------|----|----|
| Year 1 | Wagon Account. <i>Dr.</i> | 2,164 | 14 | 10 | | | | |
| | Interest Suspense Account „ | 335 | 5 | 2 | | | | |
| | To Wagon Co. | | | | | 2,500 | — | — |
| | For wagons purchased on instalment payment plan. | | | | | | | |

EXERCISE XIX—No. 6 (*contd.*).

| <i>Dr.</i> | | | | INTEREST SUSPENSE ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|------------------------------|-----|----|---------------------------|--------|--------------------------|-----|------------|----|--|--|
| | | £ | s. | d. | | | £ | s. | d. | | |
| Year 1 | To Profit and Loss | 108 | 4 | 9 | Year 1 | By Colliery Co. | 335 | 5 | 2 | | |
| | (5%, £2,164/14/10) | | | | | | | | | | |
| | „ Balance c/d | 227 | — | 5 | | | | | | | |
| | £335 | 5 | 2 | | | | | | | | |
| Year 2 | To Profit and Loss | 88 | 12 | 11 | Year 2 | By Balance b/d | 227 | — | 5 | | |
| | (5%, £1,772/19/7) | | | | | | | | | | |
| | „ Balance c/d | 138 | 7 | 6 | | | | | | | |
| | £227 | — | 5 | | | | | | | | |
| Year 3 | To Profit and Loss | 68 | 1 | 8 | Year 3 | By Balance b/d | 138 | 7 | 6 | | |
| | (5%, £1,361/12/6) | | | | | | | | | | |
| | „ Balance c/d | 70 | 5 | 10 | | | | | | | |
| | £138 | 7 | 6 | | | | | | | | |
| Year 4 | To Profit and Loss | 46 | 9 | 8 | Year 4 | By Balance b/d | 70 | 5 | 10 | | |
| | (5%, £929/14/2) | | | | | | | | | | |
| | „ Balance c/d | 23 | 16 | 2 | | | | | | | |
| | £70 | 5 | 10 | | | | | | | | |
| Year 5 | To Profit and Loss | 23 | 16 | 2 | Year 5 | By Balance b/d | 23 | 16 | 2 | | |
| | (5%, £476/3/10) | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

EXERCISE XIX—No. 7.

See *Advanced Accounts*, pages 905–907 (inclusive) under FIRST METHOD.

EXERCISE XIX—No. 8.

JOURNAL OF JAS. FINCHAM

| | | £ | s. | d. | | £ | s. | d. |
|--------|----------------------------------|--------|----|----|--|--------|----|----|
| Year 1 | Royalties | 500 | — | — | | | | |
| | 30,000 tons @ 4d. per ton. | | | | | | | |
| | Redeemable Dead Rent | 500 | — | — | | 1,000 | — | — |
| | To Landlord | | | | | | | |
| Year 2 | Royalties | 666 | 13 | 4 | | | | |
| | 40,000 tons @ 4d. per ton. | | | | | | | |
| | Redeemable Dead Rent | 333 | 6 | 8 | | 1,000 | — | — |
| | To Landlord | | | | | | | |
| Year 3 | Royalties | 1,166 | 13 | 4 | | | | |
| | 70,000 tons @ 4d. per ton. | | | | | | | |
| | To Landlord | | | | | 1,000 | — | — |
| | „ Redeemable Dead Rent | | | | | 166 | 13 | 4 |
| | | £3,166 | 13 | 4 | | £3,166 | 13 | 4 |

EXERCISE XIX—No. 8 (*contd.*).

JAS. FINCHAM'S LEDGER

| <i>Dr.</i> | | | | LANDLORD | | | | <i>Cr.</i> | | | |
|------------|------------------|--------|----|----------|--------|--------------------|--------|------------|----|--|--|
| Year 1 | To Cash. | £ | s. | d. | Year 1 | By Royalties . . . | £ | s. | d. | | |
| | | 1,000 | — | — | | | 500 | — | — | | |
| | | £1,000 | — | — | | | 500 | — | — | | |
| Year 2 | To Cash. | 1,000 | — | — | Year 2 | By Royalties . . . | £1,000 | — | — | | |
| | | £1,000 | — | — | | | 666 | 13 | 4 | | |
| | | £1,000 | — | — | | | 333 | 6 | 8 | | |
| Year 3 | To Cash. | 1,000 | — | — | Year 3 | By Royalties . . . | £1,000 | — | — | | |
| | | £1,000 | — | — | | | 1,000 | — | — | | |
| | | £1,000 | — | — | | | 1,000 | — | — | | |

| <i>Dr.</i> | | | | ROYALTIES ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|---------------------|--------|----|-------------------|--------|---------------------|--------|------------|----|--|--|
| Year 1 | To Landlord | £ | s. | d. | Year 1 | By Trading A/c. . . | £ | s. | d. | | |
| | | 500 | — | — | | | 500 | — | — | | |
| | | 666 | 13 | 4 | | | 666 | 13 | 4 | | |
| Year 2 | To Landlord | 666 | 13 | 4 | Year 2 | By Trading A/c. . . | 666 | 13 | 4 | | |
| | | 1,000 | — | — | | | 1,166 | 13 | 4 | | |
| | | 166 | 13 | 4 | | | 1,166 | 13 | 4 | | |
| Year 3 | To Landlord | 1,000 | — | — | Year 3 | By Trading A/c. . . | £1,166 | 13 | 4 | | |
| | | £1,166 | 13 | 4 | | | £1,166 | 13 | 4 | | |
| | | £1,166 | 13 | 4 | | | £1,166 | 13 | 4 | | |

| <i>Dr.</i> | | | | REDEEMABLE DEAD RENT | | | | <i>Cr.</i> | | | |
|------------|----------------------|------|----|----------------------|--------|---------------------|------|------------|----|--|--|
| Year 1 | To Landlord | £ | s. | d. | Year 3 | By Royalties . . . | £ | s. | d. | | |
| | | 500 | — | — | | | 166 | 13 | 4 | | |
| | | 333 | 6 | 8 | | | 666 | 13 | 4 | | |
| " 2 | " Landlord | £833 | 6 | 8 | " 3 | " Balance c/d . . . | £833 | 6 | 8 | | |
| | | 666 | 13 | 4 | | | 666 | 13 | 4 | | |
| | | 666 | 13 | 4 | | | 666 | 13 | 4 | | |
| Year 3 | To Balance b/d . . . | 666 | 13 | 4 | Year 3 | By Royalties . . . | £833 | 6 | 8 | | |
| | | 666 | 13 | 4 | | | 666 | 13 | 4 | | |
| | | 666 | 13 | 4 | | | 666 | 13 | 4 | | |

EXERCISE XIX—No. 9.

JOURNAL OF COLLIERY CO.

| | | | | £ | s. | d. | £ | s. | d. |
|--------|----------------------------------|--|--|--------|----|----|--------|----|----|
| Year 1 | Royalties | | | 100 | — | — | | | |
| | 4,000 tons @ 6d. per ton. | | | | | | | | |
| | Redeemable Dead Rent | | | 400 | — | — | | | |
| | To Landlord. | | | | | | 500 | — | — |
| Year 2 | Royalties | | | 400 | — | — | | | |
| | 16,000 tons @ 6d. per ton. | | | | | | | | |
| | Redeemable Dead Rent | | | 100 | — | — | | | |
| | To Landlord. | | | | | | 500 | — | — |
| Year 3 | Royalties | | | 700 | — | — | | | |
| | 28,000 tons @ 6d. per ton. | | | | | | | | |
| | To Landlord. | | | | | | 500 | — | — |
| | „ Redeemable Dead Rent | | | | | | 200 | — | — |
| | | | | £1,700 | — | — | £1,700 | — | — |

EXERCISE XIX—No. 9 (*contd.*).

| Dr. | | ROYALTIES ACCOUNT | | | | Cr. | | |
|--------|---------------------|-------------------|----|----|--------|----------------------|------|----|
| | | £ | s. | d. | | £ | s. | d. |
| Year 1 | To Landlord. . . . | 100 | — | — | Year 1 | By Trading A/c . . . | 100 | — |
| Year 2 | To Landlord | 400 | — | — | Year 2 | By Trading A/c . . . | 400 | — |
| Year 3 | To Landlord | 500 | — | — | Year 3 | By Trading A/c . . . | 700 | — |
| | „ R.D. Rent | 200 | — | — | | | | |
| | | £700 | — | — | | | £700 | — |

| <i>Dr.</i> | | LANDLORD | | | | <i>Cr.</i> | | | |
|------------|------------------------|----------|----|----|--------|------------------------|------|----|----|
| | | £ | s. | d. | | | £ | s. | d. |
| Year 1 | To Cash | 500 | — | — | Year 1 | By Royalties | 100 | — | — |
| | | | | | | „ R.D. Rent | 400 | — | — |
| | | £500 | — | — | | | £500 | — | — |
| Year 2 | To Cash | 500 | — | — | Year 2 | By Royalties | 400 | — | — |
| | | | | | | „ R.D. Rent | 100 | — | — |
| | | £500 | — | — | | | £500 | — | — |
| Year 3 | To Balance c/d | 500 | — | — | Year 3 | By Royalties | 500 | — | — |
| | | | | | Year 3 | By Balance b/d | 500 | — | — |

| <i>Dr.</i> | | REDEEMABLE DEAD RENT | | | | <i>Cr.</i> | | |
|------------|------------------------|----------------------|----|----|--------|---------------------------|------|----|
| | | £ | s. | d. | | £ | s. | d. |
| Year 1 | To Landlord | 400 | — | — | Year 1 | By Balance c/d | 400 | — |
| Year 2 | To Balance b/d | 400 | — | — | Year 2 | By Balance c/d | 500 | — |
| | „ Landlord | 100 | — | — | | | | |
| | | £500 | — | — | | | £500 | — |
| Year 3 | To Balance b/d | 500 | — | — | Year 3 | By Royalties | 200 | — |
| | | | | | | „ Profit and Loss | 300 | — |
| | | £500 | — | — | | | £500 | — |

EXERCISE XIX—No. 10.

| Dr. | | ROYALTIES ACCOUNT | | | | Cr. | | |
|--------|-------------------------|-------------------|----|----|--------|----------------------|--------|----|
| | | £ | s. | d. | | £ | s. | d. |
| Year 1 | To Lord of the Manor . | 1,000 | — | — | Year 1 | By Trading A/c . . . | 1,000 | — |
| Year 2 | To Lord of the Manor . | 1,100 | — | — | Year 2 | By Trading A/c . . . | 1,100 | — |
| Year 3 | To Lord of the Manor . | 1,200 | — | — | Year 3 | By Trading A/c . . . | 1,300 | — |
| | .. Overpaid Royalties . | 100 | — | — | | | | |
| | | £1,300 | — | — | | | £1,300 | — |
| Year 4 | To Lord of the Manor . | 1,200 | — | — | Year 4 | By Trading A/c . . . | 1,250 | — |
| | „ Overpaid Royalties . | 50 | — | — | | | | |
| | | £1,250 | — | — | | | £1,250 | — |

EXERCISE XIX—No. 10 (*contd.*).

| Dr. | | LORD OF THE MANOR | | | | Cr. | | | |
|--------|-------------------|-------------------|----|----|--------|------------------------|--------|----|----|
| Year 1 | To Cash | £ | s. | d. | Year 1 | By Royalties | £ | s. | d. |
| | | 1,200 | — | — | | „ Overpaid Royalties . | 1,000 | — | — |
| | | £1,200 | — | — | | | 200 | — | — |
| | | | | | | | £1,200 | — | — |
| Year 2 | To Cash | 1,200 | — | — | Year 2 | By Royalties | 1,100 | — | — |
| | | | | | | „ Overpaid Royalties . | 100 | — | — |
| | | £1,200 | — | — | | | | | |
| | | | | | | | £1,200 | — | — |
| Year 3 | To Cash | £1,200 | — | — | Year 3 | By Royalties | £1,200 | — | — |
| Year 4 | To Cash | £1,200 | — | — | Year 4 | By Royalties | £1,200 | — | — |

| <i>Dr.</i> | | OVERPAID ROYALTIES | | | | <i>Cr.</i> | | | |
|------------|--------------------------|--------------------|----|----|--------|------------------------|------|----|----|
| Year 1 | To Lord of the Manor . . | £ | s. | d. | Year 1 | By Balance c/d . . . | £ | s. | d. |
| | | 200 | — | — | | | 200 | — | — |
| Year 2 | To Balance b/d | 200 | — | — | Year 2 | By Balance c/d . . . | 300 | — | — |
| | „ Lord of the Manor . . | 100 | — | — | | | | | |
| | | £300 | — | — | | | £300 | — | — |
| Year 3 | To Balance b/d | 300 | — | — | Year 3 | By Royalties | 100 | — | — |
| | | £300 | — | — | | „ Balance c/d | 200 | — | — |
| | | £300 | — | — | | | £300 | — | — |
| Year 4 | To Balance b/d | 200 | — | — | Year 4 | By Royalties | 50 | — | — |
| | | £200 | — | — | | „ Balance c/d | 150 | — | — |
| | | £200 | — | — | | | £200 | — | — |
| Year 5 | To Balance b/d | 150 | — | — | | | | | |

The balance of "Overpaid Royalties" would appear as an Asset in the Balance Sheet.

EXERCISE XIX—No. 11.

JOURNAL OF COAL MINE CO., LTD.

| | | £ | s. | d. | £ | s. | d. |
|----------|--------------------------|------|----|----|------|----|----|
| Year 1 | | | | | | | |
| Mar. 25 | Ground Rent | 25 | — | — | | | |
| | Royalties | 40 | — | — | | | |
| | To G. Risch | | | | 65 | — | — |
| Sept. 29 | Ground Rent | 25 | — | — | | | |
| | Royalties | 22 | 10 | — | | | |
| | Redeemable Dead Rent . . | 17 | 10 | — | | | |
| | To G. Risch | | | | 65 | — | — |
| | | £130 | — | — | £130 | — | — |

EXERCISE XIX—No. 11 (*contd.*).JOURNAL OF COAL MINE CO., LTD.—(*contd.*).

| Year | | £ | s. | d. | £ | s. | d. |
|----------|-----------------------------------|------|----|----|------|----|----|
| Year 2 | | | | | | | |
| Mar. 25 | Ground Rent | 25 | — | — | | | |
| | Royalties | 40 | — | — | | | |
| | To G. Risch | | | | 65 | — | — |
| Sept. 29 | Ground Rent | 25 | — | — | | | |
| | Royalties | 42 | 10 | — | | | |
| | To G. Risch | | | | 67 | 10 | — |
| „ 29 | Royalties | 17 | 10 | — | | | |
| | To Redeemable Dead Rent | | | | 17 | 10 | — |
| | | £150 | — | — | £150 | — | — |

LEDGER OF THE COAL MINE CO., LTD.

| Dr. | | G. Risch | | | | | Cr. | | |
|---------|-------------------|----------|----|----|----------|-----------------------|------|----|----|
| Year 1 | | £ | s. | d. | Year 1 | | £ | s. | d. |
| Apr. 15 | To Cash | 65 | — | — | Mar. 25 | By Ground Rent . . . | 25 | — | — |
| Oct. 20 | „ Cash | 65 | — | — | „ 25 | „ Royalties | 40 | — | — |
| | | | | | Sept. 29 | „ Ground Rent . . . | 25 | — | — |
| | | | | | „ 29 | „ Royalties | 22 | 10 | — |
| | | | | | „ 29 | „ R.D. Rent | 17 | 10 | — |
| | | £130 | — | — | | | £130 | — | — |
| Year 2 | | | | | Year 2 | | | | |
| Apr. 15 | To Cash | 65 | — | — | Mar. 25 | By Ground Rent . . . | 25 | — | — |
| Oct. 20 | „ Cash | 67 | 10 | — | „ 25 | „ Royalties | 40 | — | — |
| | | | | | Sept. 29 | „ Ground Rent . . . | 25 | — | — |
| | | | | | „ 29 | „ Royalties | 42 | 10 | — |
| | | £132 | 10 | — | | | £132 | 10 | — |

| Dr. | | ROYALTIES ACCOUNT | | | | Cr. | | | |
|----------|-----------------------|-------------------|----|----|----------|--------------------------|------|----|----|
| Year 1 | | £ | s. | d. | Year 1 | | £ | s. | d. |
| Apr. 25 | To G. Risch | 40 | — | — | Sept. 29 | By Trading A/c | 62 | 10 | — |
| Sept. 29 | „ G. Risch | 22 | 10 | — | | | | | |
| | | £62 | 10 | — | | | £62 | 10 | — |
| Year 2 | | | | | Year 2 | | | | |
| Mar. 25 | To G. Risch | 40 | — | — | Sept. 29 | By Trading A/c | 100 | — | — |
| Sept. 29 | „ G. Risch | 42 | 10 | — | | | | | |
| „ 29 | „ R.D. Rent | 17 | 10 | — | | | | | |
| | | £100 | — | — | | | £100 | — | — |

| Dr. | | GROUND RENT | | | Cr. | | | | |
|----------|-----------------------|-------------|----|----|----------|--------------------------|-----|----|----|
| Year 1 | | £ | s. | d. | Year 1 | | £ | s. | d. |
| Mar. 25 | To G. Risch | 25 | — | — | Sept. 29 | By Profit and Loss A/c . | 50 | — | — |
| Sept. 29 | „ G. Risch | 25 | — | — | | | | | |
| | | £50 | — | — | | | £50 | — | — |
| Year 2 | | | | | Year 2 | | | | |
| Mar. 25 | To G. Risch | 25 | — | — | Sept. 29 | By Profit and Loss A/c . | 50 | — | — |
| Sept. 29 | „ G. Risch | 25 | — | — | | | | | |
| | | £50 | — | — | | | £50 | — | — |

EXERCISE XIX—No. 11 (*contd.*).

| <i>Dr.</i> | | REDEEMABLE DEAD RENT | | | | <i>Cr.</i> | |
|-------------------|----------------------|----------------------|----|----|-------------------|----------------------|---------|
| Year 1 Sept.29 | To G. Risch | £ | s. | d. | Year 1 Sept.29 | By Balance c/d . . . | £ s. d. |
| | | 17 | 10 | — | | | 17 10 — |
| Year 2 Sept.29 | To Balance b/d . . . | 17 | 10 | — | Year 2 Sept.29 | By Royalties | 17 10 — |

| <i>Dr.</i> | | CASH ACCOUNT | | | | <i>Cr.</i> | |
|------------|--|--------------|--|-------------------|---------------------|------------|-------|
| | | | | Year 1 Apr. 15 | By G. Risch | £ | s. d. |
| | | | | Sept.29 | „ G. Risch | 65 | — — |
| | | | | | | 65 | — — |
| | | | | | | £130 | — — |
| | | | | Year 2 Apr. 15 | By G. Risch | 65 | — — |
| | | | | Sept.29 | „ G. Risch | 67 | 10 — |
| | | | | | | 67 | 10 — |
| | | | | | | £132 | 10 — |

EXERCISE XIX—No. 12.

(a) *A Reconciliation Statement* is prepared by a cashier in order to explain the difference between the BANK PASS BOOK balance and his own BANK balance in the firm's Cash Book.

(b) *A Lease Redemption Account* is represented by the TOTAL amounts of equal annual instalments charged against profits to write off the existing Lease at its expiry. Compound interest on yearly balances is added.

(c) *Deferred Shares* are the class of shares which are considered for dividends after all other classes of shares have participated. Such shares are usually taken up by promoters of the company, sometimes by the vendors.

(d) *A Rebate Account* is an account raised by bankers in connection with DISCOUNT on discounted bills not matured.

EXERCISE XIX—No. 13.

Work in Progress should be valued at the precise amount represented by—

- Materials used.
- Wages paid.
- Estimated loss on Plant used.
- A proportion of profit on the basis of estimated cost against the contract price.

For example—

| | | | | | | | |
|---|---|---|---|---|---|--------|--------|
| Contract Price. | . | . | . | . | . | £ | 20,000 |
| Estimated Cost (for Contract completed) | . | . | . | . | . | 15,000 | |
| PROFIT | . | . | . | . | . | £5,000 | |

Hence, if half of the expenditure on contract has been incurred, then credit for £2,500 may be taken. It would be wiser to be very conservative on this matter and take credit, say, for £2,000 only.

Work in Progress would appear as an asset in the Balance Sheet.

EXERCISE XIX—No. 14.

A *Cost Account* is an account explanatory of the TOTAL expenditure on materials, labour, and organization incurred in arriving at a given result, such as building a house (contracts), making iron bars or steel plates (manufacturing), output of coal (mining), etc. The account is prepared from various sources of information, and requires great skill on the part of a qualified person to deduce from the expenditure of a business (apart from direct expenditure) the due elements of expenditure of administration, etc., that can be fairly charged in the cost account. The specimens of Cost Sheets in Chapter XIX of *Advanced Accounts* are suitable examples of such accounts.

Note.—The student must not exceed the requirements of the question; the examples given are suggested to assist examinees, and are more comprehensive than is asked of the candidate.

EXERCISE XIX—No. 15.

It is incorrect for the book-keeper to the Whirlwind Automobile Co., Ltd., to charge as SALES to customers the 10 cars that were sent to prospective buyers. The matter must be adjusted by the following Journal entries—

| | | | | | | |
|---------------------------|---|---|---|-----|--------|--------|
| Sales Account | . | . | . | Dr. | £5,750 | |
| To Sale or Return Account | . | . | . | Cr. | | £5,750 |
| Suspense Account | . | . | . | Dr. | £5,750 | |
| To Sundry Debtors | . | . | . | Cr. | | £5,750 |

The item "Sale or Return Account" would be shown on the CREDIT side of the Trading Account (being equivalent to Stock in hand at close).

The item "Suspense Account" would appear as an asset in the Balance Sheet.

EXERCISE XIX—No. 16.

The Profit and Loss Account is not properly drawn up. The correct form is as below—

[illegible]

Notes.—(1) "Errors in Books" is an account that should never be raised. Errors ought always to be rectified.
(2) "Unclaimed Dividends" would appear as a liability in the Balance Sheet.

EXERCISE XIX—No. 17.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|-----|---|----------|----|----|--------|----|----|
| (1) | Appropriation Account | 5,000 | - | - | | | |
| | To Reserve Fund | | | | 5,000 | - | - |
| | Transfer of amount to raise a Reserve Fund. | | | | | | |
| (2) | Cost of Issue of Debentures W/o | 93 | 15 | - | | | |
| | To Cost of Issue of Debentures | | | | 93 | 15 | - |
| | For $\frac{1}{8}$ of £750 W/o for proportion of period covered by debentures. | | | | | | |
| (3) | Appropriation Account | 3,500 | - | - | | | |
| | To Marine Insurance Fund | | | | 3,500 | - | - |
| | Transfer of £3,500 to Marine Insurance Fund. | | | | | | |
| (4) | Debenture Discount Account | 500 | - | - | | | |
| | Debenture-holders | 9,500 | - | - | | | |
| | To Debentures | | | | 10,000 | - | - |
| | For issue of £10,000 Debentures @ 95%, repayable at par 10 years hence. | | | | | | |
| (5) | Debenture Discount W/o | 50 | - | - | | | |
| | To Debenture Discount | | | | 50 | - | - |
| | For $\frac{1}{10}$ of £500 W/o equal to period expired of life of debentures. | | | | | | |
| | | £ 18,643 | 15 | - | 18,643 | 15 | - |

CASH BOOK

(DEBIT SIDE)

| | | Bank. | | |
|------|--------------------------------|-------|----|----|
| | | £ | s. | d. |
| 19.. | To Debenture-holders | 9,500 | - | - |

EXERCISE XIX—No. 18.

Dr. BRANCH PROFIT AND LOSS ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | Alm Road. | | Beech Road. | | Total. | | Alm Road. | | Beech Road. | | Total. | |
|--|-----------|-------|-------------|-------|--------|-------|-----------|-------|-------------|-------|--------|-------|
| | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| To Stock, 1st Jan. | 550 | — | 840 | — | 1,390 | — | 7,000 | — | 6,470 | — | 13,470 | — |
| „ Debtors, 1st Jan. | 215 | — | 107 | — | 322 | — | | — | | — | | — |
| „ Purchases from Head Office | 9,170 | — | 5,050 | — | 14,220 | — | 5 | — | 10 | — | 15 | — |
| „ Rent | 220 | — | 300 | — | 520 | — | 430 | — | 901 | — | 1,331 | — |
| „ Wages | 515 | — | 403 | — | 918 | — | 195 | — | 93 | — | 288 | — |
| „ Net Profit | | — | 774 | — | 774 | — | 3,040 | — | | — | 3,040 | — |
| £ | 10,670 | — | 7,474 | — | 18,144 | — | 10,670 | — | 7,474 | — | 18,144 | — |

By Sales
 „ Returns to Head Office
 „ Stock, 31st Dec.
 „ Debtors, 31st Dec.
 „ Net Loss

£

THE PATENT RICE FOOD CO., LTD.
BALANCE SHEET AS AT 31ST DECEMBER, 19..

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EXERCISE XIX—No. 20.

MANUFACTURING AND PROFIT AND LOSS ACCOUNTS OF
THE STREAMLINE ENGINEERING CO., LTD., FOR THE
YEAR ENDED 31ST DECEMBER, 1937

| | £ | s. | d. | | £ | s. | d. |
|---|-----------------|----|----|---|-----------------|----|----|
| To Stock, 1st January, 1937 | 8,297 | - | - | By Sales | 123,559 | - | - |
| „ Purchases | 32,876 | - | - | „ Stock, 31st December, 1937 | 9,502 | - | - |
| „ Royalties | 3,190 | - | - | | | | |
| „ Wages and National Insurance | 49,713 | - | - | | | | |
| „ Power and Light | 2,739 | - | - | | | | |
| „ Repairs to Machinery | 1,432 | - | - | | | | |
| „ Salaries | 4,875 | - | - | | | | |
| „ Rent and Rates | 3,729 | - | - | | | | |
| „ Depreciation of Machinery | 1,983 | - | - | | | | |
| „ Depreciation of Loose Tools | 154 | - | - | | | | |
| „ Gross Profit carried to Section II | 24,073 | - | - | | | | |
| | <u>£133,061</u> | - | - | | <u>£133,061</u> | - | - |
| To Carriage Outwards | 1,649 | - | - | By Gross Profit brought from Section I | 24,073 | - | - |
| „ Salaries | 3,250 | - | - | „ Apprentices' Premiums | 163 | - | - |
| „ Advertising | 1,937 | - | - | | | | |
| „ Selling Expenses | 4,109 | - | - | | | | |
| „ Bad Debts | 251 | - | - | | | | |
| „ Rent and Rates | 627 | - | - | | | | |
| „ Discounts | 2,625 | - | - | | | | |
| „ Printing and Stationery | 491 | - | - | | | | |
| „ Office Expenses | 973 | - | - | | | | |
| „ Net Trading Profit carried to Section III | 8,324 | - | - | | | | |
| | <u>£24,236</u> | - | - | | <u>£24,236</u> | - | - |
| To Balance of loss brought forward from last year | 1,187 | - | - | By Net Trading Profit brought from Section II | 8,324 | - | - |
| „ Interim Dividend | 1,750 | - | - | „ Dividends Received | 276 | - | - |
| „ Balance carried forward | 5,663 | - | - | | | | |
| | <u>£8,600</u> | - | - | | <u>£8,600</u> | - | - |

BALANCE SHEET OF THE STREAMLINE ENGINEERING CO., LTD., AS AT 31ST DECEMBER, 1937

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TRADING AND PROFIT AND LOSS ACCOUNTS OF A MANUFACTURER FOR THE YEARS ENDED 30TH SEPTEMBER, 1934 AND 1935

The cost of production in 1935 compared with sales has increased on every item entering into it except works expenses. This may be the result of an effort to secure increased sales by decreasing the selling price or may have been caused by competition compelling the lowering of prices. As the selling expenses percentage has increased the latter is probably the reason. If the former is the actual reason it would appear to be a wrong policy.

EXERCISE XIX—No. 22.

The Profit and Loss Account and Balance Sheet figures should be converted at a flat rate of exchange. When this has been done a tabular Profit and Loss Account can be prepared containing columns for Britain, New York, and total, and a combined Balance Sheet constructed, omitting the Branch Account and Head Office Account appearing in the separate Balance Sheets of the Head Office and the branch respectively.

The accounts may be incorporated in the English books by means of the following Journal entries—

JOURNAL

| | £ | s. | d. | £ | s. | d. |
|--|---|----|----|---|----|----|
| Branch Trading Account . . . | £ | s. | d. | £ | s. | d. |
| To Branch Account . . . | | | | | | |
| Commencing Stock £. | | | | | | |
| Purchases £. | | | | | | |
| Carriage Inwards £. | | | | | | |
| balances transferred. | | | | | | |
| Branch Account . . . | | | | | | |
| To Branch Trading Account . | | | | | | |
| Sales £. | | | | | | |
| Ending Stock £. | | | | | | |
| balances transferred. | | | | | | |
| Branch Trading Account . . . | | | | | | |
| To Branch Profit and Loss Account . | | | | | | |
| gross profit transferred. | | | | | | |
| Branch Account . . . | | | | | | |
| To Branch Profit and Loss Account . | | | | | | |
| Discounts on Purchases £. | | | | | | |
| balance transferred. | | | | | | |
| Branch Profit and Loss Account . | | | | | | |
| To Branch Account . . . | | | | | | |
| Wages £. | | | | | | |
| Rent and Rates £. | | | | | | |
| Discounts on Sales £. | | | | | | |
| Bad Debts £. | | | | | | |
| Sundry Expenses £. | | | | | | |
| balances transferred. | | | | | | |
| Branch Profit and Loss Account . | | | | | | |
| To Head Office Profit and Loss Account . | | | | | | |
| net profit of branch transferred. | | | | | | |

EXERCISE XIX—No. 23.

(a) Write off an appropriate amount for the year, and treat the remainder as an asset.

(b) Treat as a reserve in the Balance Sheet on the liabilities side.

(c) If thought fit, note on the Balance Sheet as a contingent liability, but the amount should not be incorporated as an actual liability in the effective figures for agreeing the Balance Sheet.

(d) Deduct the reserves from debtors and creditors respectively in the Balance Sheet, debiting and crediting the Profit and Loss Account along with the actual discounts, subject, of course, to taking into account any reserves existing at the beginning of the year.

(e) A profit on sale of old business premises may be treated as a reserve in the Balance Sheet, or taken as a profit in the Profit and Loss Account, as it is possible the premises have been over-depreciated in the past, and crediting Profit and Loss Account would be correcting such excessive depreciation. The former method, however, is probably to be preferred.

(f) The same method of placing to reserve as in (e) might be adopted.

(g) Place the profit to reserve, and include in the Balance Sheet on the liabilities side.

EXERCISE XIX—No. 24.

See text-book, Chapter XVIII.

EXERCISE XIX.—No. 25.

See text-book, Chapter XVII.

EXERCISE XIX—No. 26.

TRADING AND PROFIT AND LOSS ACCOUNTS OF BROWN, JONES, AND SMITH FOR THE YEAR ENDED
31ST MARCH, 1937

| | Brighton | | London | | Total | Brighton | | London | | Total |
|--|----------|-------|----------|-------|----------|---|---------|----------|-------|----------|
| | £ | s. d. | £ | s. d. | £ | £ | s. d. | £ | s. d. | £ |
| To Stock, 1st April, 1936 | | | | | 7,390 | By Sales | 19,398 | 92,064 | | 111,392 |
| " Purchases | 16,785 | | 75,275 | | 92,060 | " Stock, 31st March, 1937 | 2,362 | 9,041 | | 11,403 |
| " Gross Profit carried to Section II | 4,905 | | 18,440 | | 23,345 | | | | | |
| | £21,690 | | £101,105 | | £122,795 | | £21,690 | £101,105 | | £122,795 |
| To General Salaries and Wages | 1,830 | | 6,195 | | 8,025 | By Gross Profit brought from Section I | 4,905 | 18,440 | | 23,345 |
| " Manager's Salary | 400 | | 2,200 | | 400 | " Discounts | 38 | 204 | | 242 |
| " Rent | 400 | | 3,664 | | 2,600 | | | | | |
| " Trade and Office Expense | 917 | | 160 | | 4,581 | | | | | |
| " Insurance | 32 | | 145 | | 192 | | | | | |
| " Travelling Expenses | 29 | | 391 | | 174 | | | | | |
| " Bad Debts | 92 | | 1,250 | | 483 | | | | | |
| " Depreciation of Motor Vans | 550 | | | | 1,800 | | | | | |
| " Depreciation of Furniture and Equipment | 85 | | 370 | | 455 | | | | | |
| " Interest Charge in respect of Capital employed | 354 | | | | 354 | | | | | |
| " Manager's Commission | 127 | | | | 127 | | | | | |
| " Net Trading Profit carried to Section III | 127 | | 4,269 | | 4,396 | | | | | |
| | £4,943 | | £18,644 | | £23,587 | | £4,943 | £18,644 | | £23,587 |
| To Interest on Capital— | | | | | | By Net Trading Profit from Section II— | | | | |
| Brown | | | 780 | | | London Branch | | 4,269 | | |
| Jones | | | 460 | | | Brighton Branch | | 127 | | |
| Smith | | | 110 | | | | | | | |
| | | | | | 1,350 | | | | | |
| " Net Profit— | | | | | | " Interest on Capital employed at Brighton Branch | | | | |
| Brown | | | 1,938 | | | | | | | |
| Jones | | | 1,292 | | | | | | | |
| Smith | | | 170 | | | | | | | |
| | | | | | 3,400 | | | | | |
| | | | | | £4,750 | | | | | £4,750 |

BALANCE SHEET OF BROWN, JONES, AND SMITH AS AT 31ST MARCH, 1937

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EXERCISE XIX—No. 27.

| <i>Dr.</i> | | SHARPE CAPITAL ACCOUNT | | | | <i>Cr.</i> | |
|---------------------|------|------------------------|----|-----------------------------|------|------------|----|
| To Shares | £ | s. | d. | By Bank | £ | s. | d. |
| " Bank | 584 | - | - | " Bank | 300 | - | - |
| | | | | " Share of Profit | 50 | - | - |
| | | | | | 284 | - | - |
| | £634 | - | - | | £634 | - | - |

| <i>Dr.</i> | | AUSTIN CAPITAL ACCOUNT | | | | <i>Cr.</i> | |
|--------------------|------|------------------------|----|-----------------------------|------|------------|----|
| To Stock | £ | s. | d. | By Bank | £ | s. | d. |
| " Bank | 36 | - | - | " Patent Fees | 150 | - | - |
| | 438 | - | - | " Share of Profit | 40 | - | - |
| | | | | | 284 | - | - |
| | £474 | - | - | | £474 | - | - |

| <i>Dr.</i> | | BANK | | | | <i>Cr.</i> | |
|------------------------------|--------|------|----|------------------------------------|--------|------------|----|
| To Sharpe, Capital | £ | s. | d. | By Costs of Invention | £ | s. | d. |
| " Austin, Capital | 300 | - | - | " Sharpe—Capital Account | 478 | - | - |
| " Sharpe, Capital | 150 | - | - | " Austin—Capital Account | 584 | - | - |
| " Invention | 50 | - | - | | 438 | - | - |
| | 1,000 | - | - | | | | |
| | £1,500 | - | - | | £1,500 | - | - |

| <i>Dr.</i> | | INVENTION ACCOUNT | | | | | | <i>Cr.</i> | | |
|-------------------------------------|-----|-------------------|----|---------------|----|----|--------------------------------|---------------|----|----|
| | £ | s. | d. | £ | s. | d. | | £ | s. | d. |
| To Bank | | | | 478 | - | - | By Bank | 1,000 | - | - |
| " Austin | | | | 40 | - | - | " Share in Syndicate | 1,000 | - | - |
| " Loss on Shares | | | | 950 | - | - | " Austin—Stock | 36 | - | - |
| " Profit—Sharpe, Capital Account | 284 | - | - | | | | | | | |
| " Profit—Austin, Capital Account | 284 | - | - | | | | | | | |
| | | | | 568 | - | - | | | | |
| | | | | <u>£2,036</u> | - | - | | <u>£2,036</u> | - | - |

| <i>Dr.</i> | | SHARES IN SYNDICATE | | | | <i>Cr.</i> | |
|------------------------|--------|---------------------|----|---------------------------------------|--------|------------|----|
| To Invention | £ | s. | d. | By Sharpe—Shares taken over | £ | s. | d. |
| | 1,000 | - | - | " Loss on Shares | 50 | - | - |
| | | | | | 950 | - | - |
| | £1,000 | - | - | | £1,000 | - | - |

INCOME AND EXPENDITURE ACCOUNT OF FREEMAN, GREEN & HARDY FOR THE YEAR ENDED
31st MAY. 1938

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EXERCISE XIX—No. 30.

J. R. GREGSON IN ACCOUNT WITH F. R. BENSON

[illegible]

EXERCISE XX—No. 1.

(1) By substituting the name "Steadfast Assurance Co., Ltd.," for the name in example 5 in *Advanced Accounts*, pages 932 to 934, and introducing suitable amounts for items, an adequate answer to the question may be constructed.

(2) The form of Accounts as prescribed by the Life Assurance Companies Act varies from that usually employed by companies registered under the Companies Act, 1929, in the following particulars—

(a) The Revenue Account displays items in the reverse order to that usually followed, i.e. Income is debited and Expenditure credited.

(b) The various "Funds" at the beginning and at the end of the year are the first (on the debit side) and last (on the credit side) items in the Revenue Account, following the CASH Book order of opening and closing balances.

(c) The "Funds" appear as Liabilities.

(d) Profit or Loss is not stated.

EXERCISE XX—No. 2.

REVENUE ACCOUNT OF THE HOLDFAST ASSURANCE CO.

FOR THE YEAR ENDED 31ST DECEMBER, 19... , IN RESPECT OF LIFE ASSURANCE BUSINESS

| | £ | s. | d. | | £ | s. | d. |
|---|------------|-----|----|-----------------------------------|------------|----|----|
| Amount of Life Assurance Fund, 1st Jan. | 1,557 | 060 | | Claims Account . | | | |
| Premiums Account . | 142,000 | | | Surrenders Account . | | | |
| Interest and Dividends Account . | 51,000 | | | Annuities Account . | | | |
| Transfer Fees Account . | 105 | | | Commission Account . | | | |
| | | | | Management Expenses Account . | | | |
| | | | | Shareholders' Dividends Account . | | | |
| | | | | Amount of Life Assurance Fund, | | | |
| | | | | 31st Dec. | | | |
| | | | | | 1,640,452 | | |
| | £1,750,165 | | | | £1,750,165 | | |

EXERCISE XX—No. 2 (*contd.*).

THE HOLDFAST ASSURANCE CO.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | | | ASSETS. | | | | |
|---|------------|----|---------|---------------------------------|------------|----|----|
| | £ | s. | d. | | £ | s. | d. |
| Life Assurance Fund | 1,640,452 | — | — | Mortgages in the United Kingdom | 1,201,450 | — | — |
| Claims Admitted, but not paid | 7,200 | — | — | Loans on Policies | 50,060 | — | — |
| Sundry Creditors | 3,980 | — | — | <i>Investments—</i> | | | |
| | | | | Government Stocks | 204,000 | — | — |
| | | | | British Railways | 138,200 | — | — |
| | | | | House Property | 7,500 | — | — |
| | | | | Agents' Balances | 12,200 | — | — |
| | | | | Outstanding Premiums | 9,200 | — | — |
| | | | | Outstanding Interest | 12,040 | — | — |
| | | | | Cash at Bank | 16,982 | — | — |
| | £1,651,632 | — | — | | £1,651,632 | — | — |

Assurance Co with a large business and many agencies is as under—
EIPTS

[illegible]

MENTS

[illegible]

therewith will be raised.

REVENUE ACCOUNT OF THE MINSTER ASSURANCE CO., LTD.

FOR THE YEAR ENDED 31ST DECEMBER, 19.., IN RESPECT OF LIFE ASSURANCE BUSINESS

[illegible]

Note.—The amount of increase in the Assurance Fund is £657,815 and appears to be unusually large.

REVENUE ACCOUNT OF THE THAMESMOUTH LIFE ASSURANCE CO., LTD.
FOR THE YEAR ENDED 31ST DECEMBER, 19.., IN RESPECT OF LIFE ASSURANCE BUSINESS

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REVENUE ACCOUNT OF THE DEVONSHIRE LIFE ASSURANCE CO., LTD.
FOR THE YEAR ENDED 31ST DECEMBER, 19.., IN RESPECT OF LIFE ASSURANCE BUSINESS

THE DEVONSHIRE LIFE ASSURANCE CO., LTD.
BALANCE SHEET AS AT 31ST DECEMBER, 19..

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EXERCISE XX—No. 7.

The Profits of a Life Assurance Co. are generally ascertained by means of the ACTUARIAL REPORT, which takes place every fifth year; which Report is an obligation upon Life Assurance Companies under Section 5 of the Assurance Companies Act, 1909. The result of the actuaries' report is embodied in a Valuation Balance Sheet, which is as under—

VALUATION BALANCE SHEET OF THE SAFE ASSURANCE CO.

AS AT 31ST DECEMBER, 19..

| <i>Dr.</i> | £ | s. | d. | <i>Cr.</i> | £ | s. | d. |
|--|------------|----|----|---|------------|----|----|
| To Net Liability under Life Assurance and Annuity Transactions . . . | 3,780,000 | — | — | By Life Assurance and Annuity Funds (as per Balance Sheet under Schedule 3) | 4,321,000 | — | — |
| (as per Summary Statement in Fourth Schedule (A)) | 541,000 | — | — | | | | |
| Surplus | £4,321,000 | — | — | | £4,321,000 | — | — |
| . | | | | | | | |

EXERCISE XX—No. 8.

REVENUE ACCOUNT OF THE EAST COAST ASSURANCE CO., LTD.

FOR THE YEAR ENDED 31ST DECEMBER, 19.., IN RESPECT OF LIFE ASSURANCE BUSINESS

| £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---|-----------|----|---|----|----|--------|----|------------|
| Amount of Life Assurance Fund, 1st Jan. | 2,567,000 | — | — | — | — | 12,500 | — | — |
| Premiums Account | 620,500 | — | — | — | — | 27,800 | — | — |
| Consideration for Annuities Granted | 38,450 | — | — | — | — | | | 40,300 |
| Interest and Dividends | 64,500 | — | — | — | — | | | 9,462 |
| Less Income Tax paid thereon | 3,762 | — | — | — | — | | | 21,640 |
| Fines on Policies | | | | | | | | 7,480 |
| | | | | | | | | 10,700 |
| | | | | | | | | 18,750 |
| | | | | | | | | 10,450 |
| | | | | | | | | 3,168,026 |
| | | | | | | | | £3,286,808 |

EXERCISE XX—No. 9.

REVENUE ACCOUNT OF A LIFE ASSURANCE CO.

FOR THE YEAR ENDED 31ST DECEMBER, 19.., IN RESPECT OF LIFE ASSURANCE BUSINESS

| | £ | s. | d. | | £ | s. | d. |
|--|----------|----|----|--|----------|----|----|
| Amount of Life Assurance Fund, 1st Jan. | 809,000 | — | — | Claims Paid and Outstanding. | 60,000 | — | — |
| Premiums Account | 60,000 | — | — | Surrendered Policies | 5,000 | — | — |
| Interest, Dividends, and Rents. | 30,000 | — | — | Commission | 2,000 | — | — |
| | | | | Management Expenses | 5,000 | — | — |
| | | | | Depreciation of Investments | 7,000 | — | — |
| | | | | Amount of Life Assurance Fund, 31st Dec.. | 820,000 | — | — |
| | £899,000 | — | — | | £899,000 | — | — |

The Life Assurance Fund has increased by £11,000, i.e. (£820,000 - £809,000.)

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| | £ | s. | d. | | £ | s. | d. |
|---|----------|----|----|---|----------|----|----|
| LIABILITIES. | | | | ASSETS. | | | |
| Capital | 30,000 | — | — | Mortgages, | 90,000 | — | — |
| Life Assurance Fund | 820,000 | — | — | Loans on Life Interests, Reversions, etc. | 350,000 | — | — |
| Claims Admitted, but not paid | 11,000 | — | — | Investments | 400,000 | — | — |
| Sundry Creditors | 1,000 | — | — | Outstanding Premiums | 6,000 | — | — |
| | | | | Outstanding Interest | 1,000 | — | — |
| | | | | Cash in hand and with Bankers | 15,000 | — | — |
| | £862,000 | — | — | | £862,000 | — | — |

EXERCISE XX—No. 10.

REVENUE ACCOUNT OF A LIFE ASSURANCE SOCIETY

FOR THE YEAR ENDED 31ST DECEMBER, 19.., IN RESPECT OF LIFE ASSURANCE BUSINESS

| | £ | s. | d. | | £ | s. | d. |
|-------------------------------------|------------|----|----|-------------------------------------|------------|----|----|
| Amount of Assurance Fund, 1st Jan. | 3,600,000 | — | — | Claims Paid | 280,000 | — | — |
| Premiums Account | 460,000 | — | — | Surrenders | 42,000 | — | — |
| Consideration for Annuities Granted | 14,000 | — | — | Annuities Paid | 12,500 | — | — |
| Interest and Rents Received. | 130,000 | — | — | Bonuses to Policy-holders | 15,000 | — | — |
| | | | | Commission Paid | 27,000 | — | — |
| | | | | Expenses of Management | 37,000 | — | — |
| | | | | Amount of Assurance Fund, 31st Dec. | 3,790,500 | — | — |
| | £4,204,000 | — | — | | £4,204,000 | — | — |

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | £ | s. | d. | ASSETS. | £ | s. | d. |
|----------------------------|------------|----|----|-------------------------------|------------|----|----|
| Assurance Fund | 3,790,500 | — | — | Mortgages within the U.K. | 800,000 | — | — |
| Claims Admitted (not paid) | 14,500 | — | — | Mortgages on Rates | 1,200,000 | — | — |
| Sundry Creditors | 1,200 | — | — | Loans on Co.'s Policies, etc. | 280,000 | — | — |
| Reserve Fund | 150,000 | — | — | <i>Investments—</i> | | | |
| | | | | British Govt. Securities | 190,000 | — | — |
| | | | | Indian & Col. Securities | 110,000 | — | — |
| | | | | Railway Debentures | 1,150,000 | — | — |
| | | | | Leasehold Ground Rents | 6,000 | — | — |
| | | | | Rent Charges | 36,200 | — | — |
| | | | | Outstanding Premiums | 1,492,200 | — | — |
| | | | | Outstanding Interest | 56,000 | — | — |
| | | | | Cash at Bank | 57,000 | — | — |
| | | | | Premises and Furniture | 45,000 | — | — |
| | | | | | 26,000 | — | — |
| | £3,956,200 | — | — | | £3,956,200 | — | — |

REVENUE ACCOUNT OF A LIFE ASSURANCE SOCIETY

FOR THE YEAR ENDED 31ST DECEMBER, 19.., IN RESPECT OF LIFE ASSURANCE BUSINESS

768

EXERCISE XX—No. II (*contd.*).

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | | ASSETS. | |
|--------------------------------------|-----------|---------|---------|
| Life Assurance Fund | £ | £ | £ |
| Claims Admitted (not paid) | 4,235,000 | | 400,000 |
| Sundry Creditors | 10,000 | | 50,000 |
| | 15,000 | | 600,000 |
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Note.—£10,000 Indian and Colonial Government Securities have been deposited with the Government of South Africa in respect of Life Assurance business.

EXERCISE XX—No. 12.

| <i>Dr.</i> | | | | H. STEVENS | | | | <i>Cr.</i> | | | |
|------------|----------------------|-------|----|------------|--------|---------------------|-------|------------|----|--|--|
| 1932 | | £ | s. | d. | 1932 | | £ | s. | d. | | |
| Jan. 1 | To Balance due . . . | 1,000 | - | - | Jan. 1 | By Policy A/c . . . | 1,000 | - | - | | |

| <i>Dr.</i> | | | | POLICY ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|---------------------------|-------|----|----------------|---------|----------------------|-------|------------|----|--|--|
| 1932 | | £ | s. | d. | 1932 | | £ | s. | d. | | |
| Jan. 1 | To H. Stevens . . . | 1,000 | - | - | Dec. 31 | By Balance c/d . . . | 1,090 | - | - | | |
| Dec. 31 | " Bank . . . | 90 | - | - | | | | | | | |
| 1933 | | | | | 1933 | | | | | | |
| Jan. 1 | " Balance b/d . . . | 1,090 | - | - | Dec. 31 | " Balance c/d . . . | 1,180 | - | - | | |
| Dec. 31 | " Bank . . . | 90 | - | - | | | | | | | |
| 1934 | | | | | 1934 | | | | | | |
| Jan. 1 | " Balance b/d . . . | 1,180 | - | - | Dec. 31 | " Balance c/d . . . | 1,270 | - | - | | |
| Dec. 31 | " Bank . . . | 90 | - | - | | | | | | | |
| 1935 | | | | | 1935 | | | | | | |
| Jan. 1 | " Balance b/d . . . | 1,270 | - | - | Dec. 31 | " Balance c/d . . . | 1,360 | - | - | | |
| Dec. 31 | " Bank . . . | 90 | - | - | | | | | | | |
| 1936 | | | | | 1936 | | | | | | |
| Jan. 1 | " Balance b/d . . . | 1,360 | - | - | Jan. 4 | " Bank . . . | 1,800 | - | - | | |
| Dec. 31 | " Profit and Loss A/c . . | 440 | - | - | | | | | | | |

| <i>Dr.</i> | | | | RESERVE ON POLICY ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|---------------------------|-----|----|---------------------------|---------|----------------------------|-----|------------|----|--|--|
| 1932 | | £ | s. | d. | 1932 | | £ | s. | d. | | |
| Dec. 31 | To Balance c/d . . . | 432 | - | - | Jan. 1 | By Profit and Loss A/c . . | 393 | - | - | | |
| | | | | | Dec. 31 | " " " " . . . | 39 | - | - | | |
| 1933 | | | | | 1933 | | | | | | |
| Dec. 31 | " Balance c/d . . . | 460 | - | - | Jan. 1 | " Balance b/d . . . | 432 | - | - | | |
| | | | | | Dec. 31 | " Profit and Loss A/c . . | 28 | - | - | | |
| 1934 | | | | | 1934 | | | | | | |
| Dec. 31 | " Balance c/d . . . | 470 | - | - | Jan. 1 | " Balance b/d . . . | 460 | - | - | | |
| | | | | | Dec. 31 | " Profit and Loss A/c . . | 10 | - | - | | |
| 1935 | | | | | 1935 | | | | | | |
| Dec. 31 | " Profit and Loss A/c . . | 8 | - | - | Jan. 1 | " Balance b/d . . . | 470 | - | - | | |
| | " Balance c/d . . . | 462 | - | - | | | | | | | |
| 1936 | | | | | 1936 | | | | | | |
| Dec. 31 | " Profit and Loss A/c . . | 462 | - | - | Jan. 1 | " Balance b/d . . . | 462 | - | - | | |

EXERCISE XX—No. 13.

A BUILDING SOCIETY

| Dr. | | LOAN ACCOUNT | | | | | | Cr. | |
|-----------------|-------------------------|--------------|----|----|----------------|--------------------------|------|-----|----|
| 1935 Dec. 31 | To Cash | £ | s. | d. | 1935 July 1 | By Balance b/d | £ | s. | d. |
| | „ Balance c/d | 26 | 3 | 7 | Dec. 31 | „ Interest | 121 | 12 | 6 |
| | | 98 | 9 | 9 | | | 3 | — | 10 |
| | | £124 | 13 | 4 | | | £124 | 13 | 4 |
| 1936 June 30 | To Cash | £ | s. | d. | 1936 Jan. 1 | By Balance b/d | £ | s. | d. |
| | „ Balance c/d | 26 | 3 | 7 | June 30 | „ Interest | 98 | 9 | 9 |
| | | 74 | 15 | 5 | | | 2 | 9 | 3 |
| | | £100 | 19 | — | | | £100 | 19 | — |
| 1936 Dec. 31 | To Cash | £ | s. | d. | 1936 July 1 | By Balance b/d | £ | s. | d. |
| | „ Balance c/d | 26 | 3 | 7 | Dec. 31 | „ Interest | 74 | 15 | 5 |
| | | 50 | 9 | 3 | | | 1 | 17 | 5 |
| | | £76 | 12 | 10 | | | £76 | 12 | 10 |
| 1937 June 30 | To Cash | £ | s. | d. | 1937 Jan. 1 | By Balance b/d | £ | s. | d. |
| | „ Balance c/d | 26 | 3 | 7 | June 30 | „ Interest | 50 | 9 | 3 |
| | | 25 | 10 | 11 | | | 1 | 5 | 3 |
| | | £51 | 14 | 6 | | | £51 | 14 | 6 |
| 1937 Dec. 31 | To Cash | £ | s. | d. | 1937 July 1 | By Balance b/d | £ | s. | d. |
| | | 26 | 3 | 7 | Dec. 31 | „ Interest | 25 | 10 | 11 |
| | | | | | | | 12 | 8 | |
| | | £26 | 3 | 7 | | | £26 | 3 | 7 |

EXERCISE XX—No. 14.

| <i>Dr.</i> | | SMITH | | | | <i>Cr.</i> | | | |
|----------------|--------------------------|----------|---------|---------|----------------|---|----------|---------|---------|
| 1934 Jan. 1 | To Balance b/d | £ 800 | s. — | d. — | 1934 Jan. 1 | By Endowment Assurance Policy | £ 400 | s. — | d. — |
| | | | | | | „ Bad Debts A/c | 400 | — | — |
| | | £800 | — | — | | | £800 | — | — |

| <i>Dr.</i> | | BAD DEBTS ACCOUNT | | | | <i>Cr.</i> | | | |
|----------------|--------------------|-------------------|----|----|-----------------|--------------------------|-----------|---------|---------|
| 1934 Jan. 1 | To Smith | £ £400 | s. | d. | 1934 June 30 | By Profit and Loss A/c . | £ £400 | s. — | d. — |

EXERCISE XX—No. 14 (contd.).

| <i>Dr.</i> | | | ENDOWMENT ASSURANCE POLICY | | | <i>Cr.</i> | | |
|--------------------|--|--------|----------------------------|-----------|-----------------|--------------------------|--------|---------------------|
| 1934 Jan. 1 | To Smith . . . | £ 400 | <i>s.</i> | <i>d.</i> | 1934 June 30 | By Reserve on Policy A/c | £ 20 | <i>s.</i> <i>d.</i> |
| Apr. 1 | „ Cash: Premium on Policy . . . | 50 | — | — | | „ Balance c/d . . . | 430 | — — |
| | | £450 | — | — | | | £450 | — — |
| June 30 1935 | To Balance b/d . . . | 430 | — | — | 1935 June 30 | By Reserve on Policy A/c | 10 | — — |
| Apr. 1 | „ Cash: Premium on Policy . . . | 50 | — | — | | „ Balance c/d . . . | 470 | — — |
| | | £480 | — | — | | | £480 | — — |
| June 30 1936 | To Balance b/d . . . | 470 | — | — | 1936 June 30 | By Reserve on Policy A/c | 5 | — — |
| Apr. 1 | „ Cash: Premium on Policy . . . | 50 | — | — | | „ Balance c/d . . . | 515 | — — |
| | | £520 | — | — | | | £520 | — — |
| June 30 Oct. 31 | To Balance b/d . . . | 515 | — | — | Oct. 31 | By Cash . . . | 1,200 | — — |
| | „ Reserve on Policy A/c | 35 | — | — | | | | |
| | „ Profit on Policy transferred to Cap. A/c | 650 | — | — | | | | |
| | | £1,200 | — | — | | | £1,200 | — — |

| <i>Dr.</i> | | | CASH BOOK | | | <i>Cr.</i> | | |
|-----------------|-------------------------------------|---------|-----------|-----------|--|----------------------------|------|---------------------|
| 1936 Oct. 31 | To Endowment Assurance Policy . . . | £ 1,200 | <i>s.</i> | <i>d.</i> | 1934 Apr. 1 1935 Apr. 1 1936 Apr. 1 | By Premium on Policy . . . | £ 50 | <i>s.</i> <i>d.</i> |
| | | | — | — | | „ Premium on Policy . . . | 50 | — — |
| | | | — | — | | „ Premium on Policy . . . | 50 | — — |

| <i>Dr.</i> | | | RESERVE ON POLICY ACCOUNT | | | <i>Cr.</i> | | |
|-----------------|-------------------------------------|------|---------------------------|-----------|-----------------|-------------------------------------|------|---------------------|
| 1934 June 30 | To Endowment Assurance Policy . . . | £ 20 | <i>s.</i> | <i>d.</i> | 1936 Oct. 31 | By Endowment Assurance Policy . . . | £ 35 | <i>s.</i> <i>d.</i> |
| 1935 June 30 | To Endowment Assurance Policy . . . | 10 | — | — | | | | — — |
| 1936 June 30 | To Endowment Assurance Policy . . . | 5 | — | — | | | | — — |
| | | £35 | — | — | | | £35 | — — |

EXERCISE XX—No. 15.

BALANCE SHEET OF COMPANY A AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES | | | ASSETS | | |
|----------------------------|----------|-------|---|----------|-------|
| | £ | s. d. | | £ | s. d. |
| <i>Authorized Capital—</i> | | | Premises at cost, <i>less</i> depreciation | 37,000 | - - |
| 200,000 Shares of £1 each | £200,000 | - - | Plant and Machinery at cost, <i>less</i> depreciation | 30,000 | - - |
| <i>Issued Capital—</i> | | | Stock | 24,000 | - - |
| 140,000 Shares of £1 each, | | | Sundry Debtors | 80,000 | - - |
| fully paid. | 140,000 | - - | Bankers of A Company | 13,000 | - - |
| Reserve | 24,000 | - - | Goodwill at cost, <i>less</i> amounts written off | 38,000 | - - |
| Forfeited Shares | 1,000 | - - | | | |
| Sundry Creditors | 31,000 | - - | | | |
| Bills Payable | 5,000 | - - | | | |
| Bankers of B Company | 3,000 | - - | | | |
| Profit and Loss Account | 18,000 | - - | | | |
| | £222,000 | - - | | £222,000 | - - |

EXERCISE XX—No. 16.

Dr. LANDLORD'S ACCOUNT Cr.

| Dr. | | £ | s. | d. | Cr. | | £ | s. | d. |
|------|-------------------------|-----|----|----|------|--|-----|----|----|
| 1930 | To Bank . . . | 300 | - | - | 1930 | By Royalties, 2,800 tons at Is. a ton . . . | 140 | - | - |
| | | | | | | „ Short Workings . . . | 160 | - | - |
| 1931 | To Bank . . . | 300 | - | - | 1931 | By Royalties, 5,500 tons at Is. a ton . . . | 275 | - | - |
| | | | | | | „ Short Workings . . . | 25 | - | - |
| 1932 | To Short Workings . . . | 75 | - | - | 1932 | By Royalties, 7,500 tons at Is. a ton . . . | 375 | - | - |
| | „ Bank . . . | 300 | - | - | 1933 | By Royalties, 8,500 tons at Is. a ton . . . | 425 | - | - |
| 1933 | To Short Workings . . . | 110 | - | - | 1934 | By Royalties, 9,500 tons at Is. a ton . . . | 475 | - | - |
| | „ Bank . . . | 315 | - | - | | | | | |
| 1934 | To Bank . . . | 475 | - | - | | | | | |

Dr. ROYALTIES ACCOUNT Cr.

| Dr. | | £ | s. | d. | Cr. | | £ | s. | d. |
|------|-------------------|-----|----|----|------|----------------------|-----|----|----|
| 1930 | To Landlord . . . | 140 | - | - | 1930 | By Trading A/c . . . | 140 | - | - |
| 1931 | „ „ . . . | 275 | - | - | 1931 | „ „ . . . | 275 | - | - |
| 1932 | „ „ . . . | 375 | - | - | 1932 | „ „ . . . | 375 | - | - |
| 1933 | „ „ . . . | 425 | - | - | 1933 | „ „ . . . | 425 | - | - |
| 1934 | „ „ . . . | 475 | - | - | 1934 | „ „ . . . | 475 | - | - |

Dr. SHORT WORKINGS ACCOUNT Cr.

| Dr. | | £ | s. | d. | Cr. | | £ | s. | d. |
|------|-------------------|------|----|----|------|-------------------|------|----|----|
| 1930 | To Landlord . . . | 160 | - | - | 1932 | By Landlord . . . | 75 | - | - |
| 1931 | „ „ . . . | 25 | - | - | 1933 | „ „ . . . | 110 | - | - |
| | | £185 | - | - | | | £185 | - | - |

EXERCISE XX—No. 17.

Messrs. Gorgonzola & Co., of London, would buy bills to the amount of £1,842 5s. 6d. with the object of paying for goods purchased in Capetown. The Capetown creditors of Messrs. Gorgonzola may have had London creditors to whom they had given their acceptance for goods purchased, and, by the intermediary of bill brokers, Messrs. Gorgonzola & Co. have purchased same, and so discharged their indebtedness.

A further purpose served by buying such bills would be the saving of expense and obviation of risks in sending coin.

Such bills take the form of the ordinary foreign bill, of which a specimen is as below—

| | | | |
|--|--|------------------|--|
| No. 32/F. | | LONDON. | |
| £1,842:5:6 | | 28th March, 19.. | |
| <div style="border: 1px solid black; padding: 5px; width: fit-content;"> STAMP 19/- </div> | At thirty days' sight, pay this FIRST of Exchange | | |
| | (SECOND AND THIRD of same date and tenor unpaid) to the order of M. Marsden the sum of One thousand eight hundred and forty-two pounds, five shillings and sixpence, for value received. | | |
| To T WEISAN, Capetown. | | M. MARSDEN | |

The above bill would be endorsed by M. Marsden when sold to bill broker, and endorsed by the bill broker when purchased by Messrs. Gorgonzola & Co.

EXERCISE XX—No. 18.

B & CO.'S LEDGER

| Dr. JOINT ADVENTURE WITH A & CO., LAGOS | | | | | Cr. | | | | |
|---|------------------------|----------|----|----|------|------------------------|----------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| | To Goods | 20,500 | — | — | | By Sale of Native Pro- | | | |
| | " A & Co.'s Expenses . | 1,831 | 5 | 6 | | duce | 26,400 | — | — |
| | " Cash | | | | | | | | |
| | " Charges | 293 | | | | | | | |
| | | 443 | — | — | | | | | |
| | " Balance (Profit) . . | 3,625 | 14 | 6 | | | | | |
| | | £ 26,400 | — | — | | | £ 26,400 | — | — |

Note. It appears that the cost of Produce was £22,000, but paid for by £20,500, inference being that the difference of £1,500 is to be regarded as trade discount.

EXERCISE XX—No. 19.

- (a) **GOODWILL** would appear as an asset in the Balance Sheet.
Being an intangible asset, care must be taken to show **GOODWILL** at a figure agreeable to the present worth of the "connection" taken over, or according to the present worth of that upon which **GOODWILL** was based.
- (b) **REPAIRS RESERVE** would appear as a liability in the Balance Sheet.
The object of a Repairs Reserve is to charge an equal amount against profits each year sufficient to meet recurring expenditure on Repairs. Should the surplus on Reserve be very high, future provision on that head must be adjusted accordingly.
- (c) **DEBENTURE ISSUE EXPENSES** would appear as an asset in the Balance Sheet.
Being an expense on the issue of debentures, it would be advisable to write off such expenditure over a period of years equal to the life of the debentures—or, if debentures are irredeemable, in, say, five years.
- (d) **PRELIMINARY EXPENSES** would appear as an asset in the Balance Sheet.
Being expenditure on the flotation of a company, such item must be written off over a number of years, say, between three to five years.
- (e) **UNCLAIMED DIVIDENDS** would appear as a liability in the Balance Sheet.
- (f) **EXPENDITURE ON LEASEHOLD WORKS** would be transferred to Profit and Loss Account.
It is assumed that such expense has been incurred to maintain Lease in repair according to terms of Lease.
Should, however, the expense have been incurred for the *improvement* of Lease, the item may be capitalized.
- (g) **FORFEITED SHARES ACCOUNT** would appear as a liability in the Balance Sheet.
The amount on this account may be absorbed when shares are re-issued. Further, the amount may be transferred to a special Reserve Account.

EXERCISE XX—No. 20 (a).

N CO.'S JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|------|---|--|-------|----|---|-------|----|
| 19.. | | | | | | | |
| Jan. | 5 | Guarantee Commission | 50 | — | — | 50 | — |
| | | To H | | | | | |
| | | Commission charged by H as guarantor of bill. | | | | | |
| " | 5 | Discount Account | 75 | — | — | 75 | — |
| | | To D B | | | | | |
| | | Charge made for discounting bill. | | | | | |
| July | 8 | R | 1,000 | — | — | 1,000 | — |
| | | To D B | | | | | |
| | | Adjustment between R & D B on discounted bill dishonoured. | | | | | |

EXERCISE XX—No. 20 (a) (contd.).

N CO.'S JOURNAL—(contd.).

| | | | £ | s. | d. | £ | s. | d. |
|---------|---------|--|--------|----|----|--------|----|----|
| 19.. | July 8 | Guarantee Commission | 25 | — | — | 25 | — | — |
| | | To H | | | | | | |
| | | Commission charged by H as guarantor of bill. | | | | | | |
| " | 8 | Discount Account | 50 | — | — | 50 | — | — |
| | | To D B | | | | | | |
| | | Charge made for discounting bill. | | | | | | |
| Oct. 11 | | R | 1,000 | — | — | 1,000 | — | — |
| | | To D B | | | | | | |
| | | Adjustment between R & D B on discounted bill dishonoured. | | | | | | |
| " | 11 | Guarantee Commission | 25 | — | — | 25 | — | — |
| | | To H | | | | | | |
| | | Commission charged by H as guarantor of bill. | | | | | | |
| " | 11 | Discount Account | 50 | — | — | 50 | — | — |
| | | To D B | | | | | | |
| | | Charge made for discounting bill. | | | | | | |
| 19.. | Jan. 14 | D B | 2,000 | — | — | 2,000 | — | — |
| | | To R | | | | | | |
| | | Adjustment to close accounts of R & D B. | | | | | | |
| | | | £4,275 | — | — | £4,275 | — | — |

BILLS RECEIVABLE BOOK

| No. of Bill. | Date. | Name of Acceptor. | Tenor. | Due Date. | Fol. | Amount. | Remarks. |
|--------------|-------------|-------------------|--------|-------------|------|---------|-----------------------|
| 1 | 19.. Jan. 5 | R | 6 mos. | 19.. July 8 | | £ 1,000 | } Discounted with D B |
| 2 | July 8 | R | 3 " | Oct. 11 | | 1,000 | |
| 3 | Oct. 11 | R | 3 " | Jan. 14 | | 1,000 | |

Dr.

CASH BOOK

Cr.

| | | | £ | s. | d. | | | £ | s. | d. |
|---------|-----------------|------------------|-----|----|---------|---------------|--------|----------------|----|----|
| 19.. | Jan. 5 | To D B | 925 | — | — | 19.. | Jan. 5 | By H | 50 | — |
| July 8 | " D B | 950 | — | — | July 8 | " H | | 25 | — | — |
| Oct. 11 | " D B | 950 | — | — | Oct. 11 | " H | | 25 | — | — |
| | | | | | 19.. | | | | | |
| | | | | | Jan. 14 | " R | | 3,000 | — | — |

EXERCISE XX—No. 20 (a) (contd.).

| Dr. | | | | R | | | | Cr. | | | | |
|---------|--------|---|---|--------|----|----|---------|---------------------|---|--------|----|----|
| 19.. | | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| July 8 | To D B | . | . | 1,000 | — | — | Jan. 5 | By Bills Receivable | . | 1,000 | — | — |
| Oct. 11 | " D B | . | . | 1,000 | — | — | July 8 | " Bills Receivable | . | 1,000 | — | — |
| 19.. | | | | | | | Oct. 11 | " Bills Receivable | . | 1,000 | — | — |
| Jan. 14 | " Cash | . | . | 3,000 | — | — | 19.. | | | | | |
| | | | | | | | Jan. 14 | " D B | . | 2,000 | — | — |
| | | | | £5,000 | — | — | | | | £5,000 | — | — |

| Dr. | | D B | | Cr. | | | |
|---------|---------------------|--------|-------|---------|-------------|--------|---|
| 19.. | | £ | s. d. | 19.. | £ s. d. | | |
| Jan. 5 | To Bills Receivable | 1,000 | — | Jan. 5 | By Cash | 925 | — |
| July 8 | „ Bills Receivable | 1,000 | — | 5 | „ Discount. | 75 | — |
| Oct. 11 | „ Bills Receivable | 1,000 | — | July 8 | „ R | 1,000 | — |
| 19.. | | | | 8 | „ Cash | 950 | — |
| Jan. 14 | „ R . . . | 2,000 | — | 8 | „ Discount. | 50 | — |
| | | | | Oct. 11 | „ R | 1,000 | — |
| | | | | 11 | „ Cash | 950 | — |
| | | | | 11 | „ Discount. | 50 | — |
| | | £5,000 | — | | | £5,000 | — |

| Dr. | | | | H | | | | Cr. | | | | |
|---------|---------|---|---|------|----|----|---------|-----------------------|--|------|----|----|
| 19.. | | | | £ | s. | d. | 19.. | | | £ | s. | d. |
| Jan. 5 | To Cash | . | . | 50 | — | — | Jan. 5 | By Guarantee Comm's'n | | 50 | — | — |
| July 8 | " Cash | . | . | 25 | — | — | July 8 | " Guarantee Comm's'n | | 25 | — | — |
| Oct. 11 | " Cash | . | . | 25 | — | — | Oct. 11 | " Guarantee Comm's'n | | 25 | — | — |
| | | | | £100 | — | — | | | | £100 | — | — |

| Dr. | | BILLS RECEIVABLE ACCOUNT | | | | | | Cr. | |
|---------|------------|--------------------------|---|---|---------|--------------|--------|-----|---|
| 19.. | | | | | 19.. | | | | |
| Jan. 5 | To R . . . | 1,000 | — | — | Jan. 5 | By D B . . . | 1,000 | — | — |
| July 8 | " R . . . | 1,000 | — | — | July 8 | " D B . . . | 1,000 | — | — |
| Oct. 11 | " R . . . | 1,000 | — | — | Oct. 11 | " D B . . . | 1,000 | — | — |
| | | £3,000 | — | — | | | £3,000 | — | — |

| Dr. | | DISCOUNT ACCOUNT | | Cr. | |
|---------|--------------|------------------|-------|-----|--|
| 19.. | | £ | s. d. | | |
| Jan. 5 | To D B . . . | 75 | — | | |
| July 8 | " D B . . . | 50 | — | | |
| Oct. 11 | " D B . . . | 50 | — | | |

| Dr. | | GUARANTEE COMMISSION ACCOUNT | | Cr. | |
|---------|------------|------------------------------|-------|-----|--|
| 19.. | | £ | s. d. | | |
| Jan. 5 | To H . . . | 50 | — | | |
| July 8 | " H . . . | 25 | — | | |
| Oct. 11 | " H . . . | 25 | — | | |

EXERCISE XX—No. 20 (b).

| Dr. | | G C's LEDGER | | | | | | Cr. | | |
|---------|------------------|--------------|--------|----|----|--------|-------------------|--------|----|----|
| | | J P | | | | | | | | |
| 19.. | | | £ | s. | d. | 19.. | | £ | s. | d. |
| Dec. 1 | To Cash | | 150 | — | — | Dec. 1 | By Shares | 1,000 | — | — |
| 19.. | | | | | | 19.. | | | | |
| Jan. 14 | „ Cash | | 150 | — | — | Feb. 3 | „ Cash | 350 | — | — |
| Feb. 3 | „ Cash | | 150 | — | — | | | | | |
| „ 3 | „ Shares | | 900 | — | — | | | | | |
| | | | £1,350 | — | — | | | £1,350 | — | — |

| Dr. | | SHARES ACCOUNT | | | | Cr. | | |
|--------|-----------------|----------------|----|----|--------|--------------------------|--------|----|
| 19.. | | £ | s. | d. | 19.. | £ | s. | d. |
| Feb. 3 | To J P. | 1,000 | — | — | Dec. 1 | By J P | 900 | — |
| | | | | | 19.. | | | |
| | | | | | Feb. 3 | „ Loss on Sale of Shares | 100 | — |
| | | £1,000 | — | — | | | £1,000 | — |
| | | | | | | | | |

| Dr. | | CASH BOOK | | | | | | Cr. | | |
|--------|-----------------|-----------|----|----|--------|------------------|------|-----|----|----|
| | | £ | s. | d. | | | | £ | s. | d. |
| 19.. | | | | | 19.. | | | | | |
| Feb. 3 | To J P. | 350 | — | — | Dec. 1 | By J P | 150 | — | — | |
| | | | | | 19.. | | | | | |
| | | | | | Jan. 4 | „ J P | 150 | — | — | |
| | | | | | Feb. 3 | „ J P | 150 | — | — | |
| | TOTAL | £350 | — | — | | TOTAL | £450 | — | — | |

| J P's LEDGER | | | | | | | | | |
|--------------|-------------------|-------|--------|-------|--------|------------------|-----|--------|-------|
| Dr. | | | | | Cr. | | | | |
| G C | | | | | | | | | |
| 19.. | | | £ | s. d. | 19.. | | | £ | s. d. |
| Dec. 1 | To Shares | 1,000 | — | — | Dec. 1 | By Cash | 150 | — | — |
| 19.. | | | | | 19.. | | | | |
| Feb. 3 | „ Cash | 350 | — | — | Jan. 3 | „ Cash | 150 | — | — |
| | | | | | „ 3 | „ Cash | 150 | — | — |
| | | | | | Feb. 3 | „ Shares | 900 | — | — |
| | | | | | | | | | |
| | | | £1,350 | — | | | | £1,350 | — |
| | | | | | | | | | |

| <i>Dr.</i> | | W | | | | <i>Cr.</i> | |
|------------|-----------------|-------|----|----|--|------------|--|
| 19.. | | £ | s. | d. | | | |
| Feb. 3 | To Shares . . . | 1,000 | — | — | | | |

| Dr. | | SHARES ACCOUNT | | | | | | Cr. | |
|--------|--------------------------|----------------|----|----|--------|--------|---------------|-----|----|
| | | £ | s. | d. | | | £ | s. | d. |
| 19.. | | | | | 19.. | | | | |
| Feb. 3 | To G C | 900 | — | — | Dec. 1 | By G C | 1,000 | — | — |
| " 3 | " Gain on Sale of Shares | 100 | — | — | 19.. | | | | |
| " 3 | " Balance c/d | 1,000 | — | — | Feb. 3 | " W | 1,000 | — | — |
| | | <u>£2,000</u> | — | — | | | <u>£2,000</u> | — | — |

EXERCISE XX—No. 20 (b) (*contd.*).

| <i>Dr.</i> | | CASH BOOK | | | | <i>Cr.</i> | | | |
|------------|----------------|-----------|----|----|--------|-------------------|------|----|---|
| | | £ | s. | d. | | £ | s. | d. | |
| 19.. | | | | | 19.. | | | | |
| Dec. 1 | To G C | 150 | — | — | Feb. 3 | By G C | 350 | — | — |
| 19.. | | | | | " 3 | " Balance c/d . . | 100 | — | — |
| Jan. 4 | " G C | 150 | — | — | | | | | |
| Feb. 3 | " G C | 150 | — | — | | | | | |
| | | £450 | — | — | | | £450 | — | — |

EXERCISE XX—No. 20 (c).

THE COMPANY'S JOURNAL

| | | £ | s. | d. | | £ | s. | d. |
|------|-------------------------------------|--------|----|----|--|--------|----|----|
| 19.. | Share Capital Account | 500 | — | — | | | | |
| | To Forfeited Shares Account . . | | | | | 250 | — | — |
| | " Calls (unpaid) | | | | | 250 | — | — |
| | 500 shares, Nos.....to..... for- | | | | | | | |
| | feited by order of the Board of | | | | | | | |
| | Directors for NON-payment of calls. | | | | | | | |
| | D (New Shareholder) | 375 | — | — | | | | |
| | Forfeited Shares Account | 125 | — | — | | | | |
| | To Share Capital Account | | | | | 500 | — | — |
| | For re-issue of forfeited shares. | | | | | | | |
| | | £1,000 | — | — | | £1,000 | — | — |

COMPANY'S LEDGER

| <i>Dr.</i> | | SHARE CAPITAL ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|-----------------------------|-----------------------|----|----|------|------------------------|------|----|---|
| | | £ | s. | d. | | £ | s. | d. | |
| 19.. | To Forfeited Shares A/c . . | 250 | — | — | 19.. | By D | 375 | — | — |
| | " Calls (unpaid) A/c . . | 250 | — | — | | " Forfeited Shares . . | 125 | — | — |
| | | £500 | — | — | | | £500 | — | — |

| <i>Dr.</i> | | FORFEITED SHARES ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|--------------------------|--------------------------|----|----|------|--------------------------|------|----|---|
| | | £ | s. | d. | | £ | s. | d. | |
| 19.. | To Share Capital A/c . . | 125 | — | — | 19.. | By Share Capital A/c . . | 250 | — | — |
| | " Balance c/d | 125 | — | — | | | | | |
| | | £250 | — | — | | | £250 | — | — |

| <i>Dr.</i> | | D | | | | <i>Cr.</i> | | | |
|------------|--------------------------|-----|----|----|------|-----------------|-----|----|---|
| | | £ | s. | d. | | £ | s. | d. | |
| 19.. | To Share Capital | 375 | — | — | 19.. | By Cash | 375 | — | — |

EXERCISE XX—No. 21.

LEAD & HALL, LTD.

Dr. TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---|-----|----|----|----------|----|----|---|----|----|---------|----|----|
| To Stock, 1st Jan. | | | | 3,644 | 18 | 8 | By Sales | | | 15,637 | 6 | 7 |
| " Purchases | | | | 8,092 | 7 | 8 | " Stationery used in Office | | | | | |
| " Wages | | | | 4,126 | 17 | 8 | " Stationery in hand | | | 123 | 9 | — |
| " Fuel | | | | | | | " Stock, 31st Dec. | | | 3,650 | 9 | 6 |
| " Balance, Gross Profit c/d | | | | 3,508 | 9 | 2 | | | | 19,411 | 5 | 1 |
| | | | | £ 19,411 | 5 | 1 | | | | £ | | |
| To Travellers' Commission | | | | 279 | 2 | — | By Trading Account | | | 3,508 | 9 | 2 |
| " Travelling Expenses | | | | 255 | 18 | — | " Cottage Rents | | | 25 | 15 | 10 |
| " Rates, Taxes, and Insurance | 317 | 1 | 2 | | | | " Discounts Received | | | 314 | 6 | 11 |
| " Less Rates and Insurance prepaid | 78 | — | — | | | | " Discount Reserve on Creditors (2½% of £1,142/5/9) | | | 28 | 11 | 2 |
| | | | | | | | | | | | | |
| Trade Expenses. | | | | 239 | 1 | 2 | | | | | | |
| " Repairs | | | | 280 | 11 | 6 | | | | | | |
| " Horsekeep. | | | | 52 | 12 | 2 | | | | | | |
| " Stamps and Parcel Post | | | | 57 | 1 | 5 | | | | | | |
| " Carriage Outwards | | | | 114 | — | — | | | | | | |
| " Discounts Allowed | | | | 319 | 13 | 11 | | | | | | |
| " Interest on Mortgage, etc. | | | | 257 | 16 | 11 | | | | | | |
| " Interest on Calls Paid in Advance | | | | 155 | 15 | 2 | | | | | | |
| " Banker's Charges | | | | 2 | 8 | — | | | | | | |
| " Stationery out of Stock | | | | 98 | 6 | — | | | | | | |
| " Bad Debts | 12 | 4 | — | | | | | | | | | |
| " Add Bad Debts accrued | 5 | — | — | | | | | | | | | |
| | | | | 17 | 4 | — | | | | | | |
| Bad Debts Reserve (amount provided). | | | | 100 | — | — | | | | | | |
| " Discount Reserve on Debtors | | | | 92 | 12 | — | | | | | | |
| " Directors' Remuneration (3½% of £2,469/7/7) | | | | 206 | 12 | — | | | | | | |
| Depreciation— | | | | | | | | | | | | |
| Freehold Factory | 50 | — | — | | | | | | | | | |
| Machinery | 109 | 7 | 9 | | | | | | | | | |
| Engine, Boiler, and Shafting | 28 | 11 | 4 | | | | | | | | | |
| Horse and Van | 10 | 1 | 9 | | | | | | | | | |
| Trade Fixtures | 38 | — | 6 | | | | | | | | | |
| Office Furniture | 1 | 10 | — | | | | | | | | | |
| | | | | 237 | 11 | 4 | | | | | | |
| " Balance, Net Profit c/d | | | | 1,082 | 8 | 6 | | | | | | |
| | | | | £ 3,877 | 3 | 1 | | | | £ 3,877 | 3 | 1 |

EXERCISE XX—No. 21 (*contd.*).

LEAD & HALL, LTD.

| Dr. | APPROPRIATION ACCOUNT | | | | Cr. |
|---|-----------------------|--------|----|----|-------|
| | | £ | s. | d. | |
| To Manager's Bonus (5% of £1082/8/6) | . | 54 | 2 | 5 | |
| Dividend on Ordinary Shares | . | 60 | 4 | — | |
| " " Voted Shares | . | 87 | 6 | — | |
| " " Voted Shares Profit (4 or £388/2/1) | . | 87 | 7 | 1 | |
| " Balance to Balance Sheet | . | | | | |
| | | £1,666 | 14 | — | |
| | | | | | £ |
| | | | | | 884 |
| | | | | | 1,082 |
| | | | | | 8 |
| | | | | | 6 |

EXERCISE XX—No. 22.

THE UTOPIA MOTOR WORKS, LTD.

[illegible]

THE UTOPIA MOTOR WORKS, LTD.
BALANCE SHEET AS AT 31ST JANUARY, 19..

783

EXERCISE XX—No. 23.

THE ENGINE AND MOTOR CO., LTD.

TRADING ACCOUNT FOR THE YEAR ENDED 31st MARCH, 19..

Dr.

Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. | |
|---------------------------------------|--------|----|----|----------|----|----|----------------------------------|---------|----------|---|
| To Stock, 1st April | | | | 14,665 | — | — | By Sales | 107,015 | — | — |
| " Loose Tools, 1st April | 71,245 | — | — | 3,125 | — | — | Less Returns Inwards | 975 | — | — |
| " Purchases | 1,675 | — | — | | | | " Stock, 31st Mar. | | 106,040 | — |
| Less Returns Outwards | | | | 69,570 | — | — | " Loose Tools, 31st Mar. | | 23,995 | — |
| " Carriage | | | | 4,155 | — | — | | | 2,730 | — |
| " Coal | | | | 2,765 | — | — | | | | |
| " Gas and Water | | | | 475 | — | — | | | | |
| " Wages, Manufacturing | | | | 25,595 | — | — | | | | |
| " Balance, Gross Profit c/d | | | | 12,415 | — | — | | | | |
| | | | | | | | | | | |
| | | | | £132,765 | — | — | | | £132,765 | — |
| | | | | | | | | | | |

EXERCISE XX—No. 23 (contd.).

THE ENGINE AND MOTOR CO., LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 19..

Dr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|--------------------------------------|-----|----|----|-------|--------|----|----------------------------|--------|----|
| To Rates, Taxes, and Insurance | 865 | — | — | | | | By Trading Account | 12,415 | — |
| Less Insurance prepaid | 30 | — | — | | | | Rents from Subletting | 20 | — |
| " Office Salaries | 750 | — | — | 885 | — | — | " Discounts Received | 875 | — |
| Add Amount owing. | 68 | 3 | 8 | | | | " Interest on Bank Deposit | 45 | — |
| " Trade Expenses. | | | | 818 | 3 | 8 | | | |
| General Expenses | | | | 2,165 | — | — | | | |
| Travelling Expenses | | | | 945 | — | — | | | |
| Repairs and Renewals to Plant | | | | 465 | — | — | | | |
| Audit Fee and Legal Expenses | | | | 1,243 | — | — | | | |
| Bad Debts W/o. | | | | 205 | — | — | | | |
| Discounts Allowed | | | | 615 | — | — | | | |
| Directors' Fees | | | | 1,235 | — | — | | | |
| Preliminary Expenses. | | | | 300 | — | — | | | |
| Bad Debts Reserve | | | | 350 | — | — | | | |
| Less Old Reserve | | | | 1,560 | 15 | — | | | |
| " Depreciation— | | | | 1,165 | — | — | | | |
| Plant and Machinery (10% of £11,595) | | | | | | | | | |
| Patterns (15% of £3,155) | | | | 1,159 | 10 | — | | | |
| Patents (20% of £1,535) | | | | 473 | 5 | — | | | |
| Office Furniture (10% of £545) | | | | 307 | — | — | | | |
| Balance, Net Profit c/d | | | | 54 | 10 | — | | | |
| | | | | 1,994 | 5 | — | | | |
| | | | | 1,786 | 16 | 4 | | | |
| | | | | £ | 13,355 | — | | | |

Dr.

PROPOSED APPROPRIATION ACCOUNT

| | £ | s. | d. | £ | s. | d. |
|---|--------|----|----|--------------------------|--------|----|
| To Dividend on Cumulative Preference Shares @ 6% due on last year | 1,500 | — | — | | | |
| " Balance | 1,831 | 16 | 4 | | | |
| | £3,331 | 16 | 4 | | | |
| | | | | By Balance, 1st April | | |
| | | | | " Current Year's Profit. | | |
| | | | | | | |
| | | | | £ | 13,355 | — |

EXERCISE XX—No. 23 (contd.).

THE ENGINE & MOTOR CO., LTD.
BALANCE SHEET AS AT 31ST MARCH, 19..

| CAPITAL AND LIABILITIES. | | PROPERTY AND ASSETS. | | | |
|---|----------|--------------------------|--|--------|---------|
| <i>Nominal Capital—</i> | | Freehold Property | | £ | s. d. |
| 75,000 Ordinary Shares of £1 each | 75,000 | | | 11,895 | — |
| 2,500 6% Cumulative Preference Shares of £10 each | 25,000 | | | 1,159 | 10 |
| | | Patterns | | 3,155 | — |
| | | Less Depreciation | | 473 | 5 |
| | £100,000 | Patents | | 1,535 | — |
| | | Less Depreciation | | 307 | — |
| | | Office Furniture | | 545 | — |
| | 50,000 | Less Depreciation | | 54 | 10 |
| | 2,000 | Goodwill | | | |
| | | Loose Tools | | | 490 10 |
| | | Stock. | | | 3,000 |
| | | Sundry Debtors | | 31,215 | — |
| | | Less Bad Debts Reserve | | 1,560 | 15 |
| | 1,545 | Rent Due from Subletting | | | |
| | 1,786 | Cash at Bank | | 985 | — |
| | | Cash on Deposit | | 10,000 | — |
| | | Cash in hand | | 45 | — |
| | | Insurance Unexpired | | | |
| | | | | | 11,030 |
| | | | | | 30 |
| | | | | | £97,970 |
| | | | | | £97,970 |

EXERCISE XX—No. 24.

CONTRACT No. 125

Dr.

Name: WILLIAMS, F. R.

Cr.

| Date | Details | Fol. | Direct Purchases | Fol. | Stores | Date | Wages | Total | Date | Details | Fol. |
|--------|--|------|-------------------|------|--------------------|------------------|-------------------|------------------|-----------------|---------------|--------------------|
| 194. 5 | To Subcontract | 4 | £ s. d. 52 7 4 | 15 | £ s. d. 125 4 — | 194. 1 Oct. 8 | £ s. d. 25 — — | £ s. d. — — — | 194. Oct. 31 | By Contract . | £ s. d. 350 — — |
| " 9 | " Sundries | | | 24 | 18 10 — | " 15 | 24 — — | | | | |
| " 10 | " | | | 25 | 5 4 — | " 22 | 26 7 — | | | | |
| | | | | | | | 10 4 — | | | | |
| | To Direct Purchases | | 52 7 4 | | 148 18 — | | 85 11 — | 85 11 — | | | |
| | " Stores | | | | | | 52 7 4 | 52 7 4 | | | |
| | " Expenses at 20 per cent on Wages | | | | | | 148 18 — | 148 18 — | | | |
| | " Expenses at 10 per cent on Materials | | | | | | 17 2 2 | 17 2 2 | | | |
| | " Profit | | | | | | 20 2 6 | 20 2 6 | | | |
| | | | | | | | 25 19 — | 25 19 — | | | |
| | | | | | | | | £350 — — | | | £350 — — |

EXERCISE XX—No. 25.

| <i>Dr.</i> | | STOCK OUT ON HIRE-PURCHASE | | | | <i>Cr.</i> | | |
|------------|---|----------------------------|----|----|---------|---|----|----|
| | | £ | s. | d. | | £ | s. | d. |
| 194. | | | | | 194. | | | |
| Jan. 1 | To Value of Stock out on Hire-purchase agreements . . . | | | | Dec. 31 | By Receipts from Hire-purchasers during year . . . | | |
| Dec. 31 | „ Cost of Stock sent out on Hire-purchase agreements during year . . . | | | | | „ Value of Stock out on Hire-purchase at end of year (being the amount of the instalments not yet paid after deducting the proportion of profit included therein) . . . | | |
| | „ Transfer to Profit and Loss Account, being profit during the year . . . | | | | | | | |

The cost of Stock out on hire is obtained from a Hire-Purchase Day Book containing a column showing the cost of each article sold on hire-purchase. The receipts from hire-purchasers are obtained from an extra column in the Cash Book into which all such receipts are extended. The stock figures are arrived at by valuation.

EXERCISE XX—No. 26.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|--|---------------|----|----|---------------|----|----|
| 1934 | | | | | | | |
| Jan. 22 | Policy Account | 270 | — | — | | | |
| | Bad Debts Account | 230 | — | — | | | |
| | To A. | | | | 500 | — | — |
| | Policy taken over in satisfaction of debt at surrender value and writing off of balance. | | | | | | |
| July 1 | Life Premium Account | 18 | — | — | | | |
| | To Bank | | | | 18 | — | — |
| | Premium paid. | | | | | | |
| Dec. 31 | Policy Account | 15 | — | — | | | |
| | To Life Premium Account | | | | 15 | — | — |
| | Transfer of increase in surrender value. | | | | | | |
| | Profit and Loss Account | 3 | — | — | | | |
| | To Life Premium Account | | | | 3 | — | — |
| | Transfer. | | | | | | |
| 1935 | | | | | | | |
| July 1 | Life Premium Account | 18 | — | — | | | |
| | To Bank | | | | 18 | — | — |
| | Premium paid. | | | | | | |
| Dec. 31 | Policy Account | 16 | — | — | | | |
| | To Life Premium Account | | | | 16 | — | — |
| | Transfer of increase in surrender value. | | | | | | |
| | Profit and Loss Account | 2 | — | — | | | |
| | To Life Premium Account | | | | 2 | — | — |
| | Transfer. | | | | | | |
| 1936 | | | | | | | |
| Jan. 15 | Bank | 530 | — | — | | | |
| | To Policy Account | | | | 530 | — | — |
| | Amount received under policy. | | | | | | |
| | Policy Account | 229 | — | — | | | |
| | To Profit and Loss Account | | | | 229 | — | — |
| | Transfer of profit on policy. | | | | | | |
| | | <u>£1,331</u> | — | — | <u>£1,331</u> | — | — |

EXERCISE XX—No. 27.

PRODUCTION ACCOUNT OF A MOTOR MANUFACTURING
COMPANY FOR THE YEAR ENDED 31st DECEMBER, 19..

| | £ | s. | d. | £ | s. | d. |
|--|---------|----|----|----------|----|----|
| Materials used | 325,682 | — | — | | | |
| Direct Wages | 367,265 | — | — | | | |
| <i>Prime Cost—</i> | | | | 692,947 | — | — |
| Factory overhead expenses. Equal 20% on Wages . . . | | | | 73,453 | — | — |
| <i>Factory Cost—</i> | | | | 766,400 | — | — |
| Establishment and general expenses. 6% of Factory Cost | | | | 45,984 | — | — |
| Total Cost | | | | £812,384 | — | — |

CALCULATION OF PRICE AT WHICH A MOTOR CAR SHOULD
BE SOLD TO YIELD A PROFIT OF 25 PER CENT

| | £ | s. | d. |
|---|------|----|----|
| Materials cost | 104 | — | — |
| Wages | 80 | — | — |
| Add 20% of Wages for Factory overhead expenses . . . | 184 | — | — |
| 16 | 16 | — | — |
| Factory Cost | 200 | — | — |
| Add 6% of Factory Cost for establishment and general expenses | 12 | — | — |
| 212 | 212 | — | — |
| Add 25% for profit | 53 | — | — |
| Selling price | £265 | — | — |

EXERCISE XX—No. 28.

TRADING AND PROFIT AND LOSS ACCOUNTS OF SIGMA, LIMITED, FOR THE YEAR ENDED 31ST MARCH, 1938

Dr.

Cr.

| | £ | s. | d. | £ | s. | d. | | £ | s. | d. |
|--|-------|----|----|----------|----|----|---|----------|----|----|
| To Stock, 1st April, 1937 | | | | 33,061 | | | By Sales | | | |
| " Purchases | | | | 102,177 | | | " Stock, 31st March, 1938 | 115,316 | | |
| " Gross Profit carried to Section II | | | | 17,079 | | | | 37,001 | | |
| | | | | £152,317 | | | | £152,317 | | |
| To Office and Showroom Salaries | | | | 2,870 | | | By Gross Profit brought from Section I | 17,079 | | |
| " Travellers' Salaries and Commission | | | | 3,317 | | | " Discount | 733 | | |
| " Rent and Rates | | | | 1,745 | | | | | | |
| " Bad Debts | | | | 631 | | | | | | |
| " Advertising | | | | 3,075 | | | | | | |
| " Directors' Fees | | | | 600 | | | | | | |
| " Bank Interest | | | | 41 | | | | | | |
| " Legal Charges and Audit Fee | | | | 105 | | | | | | |
| " Sundry Trade Expenses | | | | 1,752 | | | | | | |
| " Depreciation— | | | | | | | | | | |
| Vans and Cars | 1,020 | | | | | | | | | |
| Fixtures and Fittings | 450 | | | | | | | | | |
| | | | | 1,470 | | | | | | |
| | | | | 2,206 | | | | | | |
| " Net Trading Profit carried to Section III | | | | £17,812 | | | | £17,812 | | |
| To Legal Charges in connection with Capital Reduction Scheme written off | | | | 80 | | | By Net Trading Profit brought from Section II | 2,206 | | |
| " Amount written off Goodwill | | | | 353 | | | " Dividends from Investments | 900 | | |
| " Balance, Net Profit for the year | | | | 2,673 | | | | | | |
| | | | | £3,106 | | | | £3,106 | | |

EXERCISE XX—No. 29.

BALANCE SHEET OF DAVIS, EDWARDS, & FREEMAN
AS AT 31ST DECEMBER, 1935

| <i>Liabilities and Capital</i> | Davis | | | Edwards | | | Freeman | | | | | |
|---|-------|----|----|---------|----|----|---------|----|----|--------|----|----|
| | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| Current Accounts— | | | | | | | | | | | | |
| Balance, 1st Jan., 1935. | 677 | - | - | 180 | - | - | 243 | - | - | | | |
| Add Interest on Capital | 400 | - | - | 350 | - | - | 100 | - | - | | | |
| Salary | | | | | | | 150 | - | - | | | |
| Shares of Profit | 975 | - | - | 585 | - | - | 390 | - | - | | | |
| | 2,052 | - | - | 1,115 | - | - | 883 | - | - | | | |
| Less Drawings (including Salary) and Interest on Drawings | 1,448 | 11 | 6 | 912 | 18 | 9 | 693 | 9 | 9 | | | |
| | £603 | 8 | 6 | £202 | 1 | 3 | £189 | 10 | 3 | £995 | - | - |
| Capital Accounts— | | | | | | | | | | | | |
| Davis | | | | | | | 8,000 | - | - | | | |
| Edwards | | | | | | | 7,000 | - | - | | | |
| Freeman | | | | | | | 2,000 | - | - | | | |
| | | | | | | | | | | 17,000 | - | - |

Interest on Drawings has been calculated in months.

EXERCISE XX—No. 30.

| Dr. | | REPAIRS AND RENEWALS RESERVE | | | | Cr. | | | |
|-----------------|--|------------------------------|-------------------|-------------------|---------------------------|---|-------------------------|-------------------|-------------------|
| 1937 Dec. 31 | To Repairs and Renewals „ Balance . . c/d . | £ 50 100 £150 | s. - - - | d. - - - | 1937 Dec. 31 | By Profit and Loss A/c | £ 150 | s. - - | d. - - |
| 1938 Dec. 31 | To Repairs and Renewals „ Balance c/d . . | £ 43 207 £250 | s. - - - | d. - - - | 1938 Jan. 1 Dec. 31 | By Balance . . b/d „ Profit and Loss A/c | £ 100 150 £250 | s. - - - | d. - - - |
| 1939 Dec. 31 | To Repairs and Renewals „ Balance c/d . . | £ 76 281 £357 | s. - - - | d. - - - | 1939 Jan. 1 Dec. 31 | By Balance b/d „ Profit and Loss A/c | £ 207 150 £357 | s. - - - | d. - - - |
| 1940 Dec. 31 | To Repairs and Renewals „ Balance c/d . . | £ 88 343 £431 | s. - - - | d. - - - | 1940 Jan. 1 Dec. 31 | By Balance b/d „ Profit and Loss A/c | £ 281 150 £431 | s. - - - | d. - - - |
| | | | | | 1941 Jan. 1 | By Balance b/d | £ 343 | s. - - | d. - - |

| <i>Dr.</i> | | PROFIT AND LOSS ACCOUNT | | | | <i>Cr.</i> | |
|-----------------|---------------------------------------|-------------------------|----|----|--|------------|--|
| 1937 Dec. 31 | To Repairs and Renewals Reserve . . . | £ | s. | d. | | | |
| | | 150 | - | - | | | |
| 1938 Dec. 31 | „ Repairs and Renewals Reserve . . . | 150 | - | - | | | |
| 1939 Dec. 31 | „ Repairs and Renewals Reserve . . . | 150 | - | - | | | |
| 1940 Dec. 31 | „ Repairs and Renewals Reserve . . . | 150 | - | - | | | |

EXERCISE XXI—No. 1.

STATEMENT OF AFFAIRS OF THOS. F. SELLERS.....

| Gross Liabilities. | | LIABILITIES. | | Expected to Rank. | | Assets. | | Expected to Produce. | |
|--------------------|-------|---|-------|-------------------|-------|--|-------|----------------------|-------|
| £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 8,478 | — | Unsecured Creditors (A) | — | 8,478 | — | Property (H)— | — | — | — |
| 2,200 | — | Fully-secured Creditors (B) | — | — | — | Cash at Bank | — | — | — |
| . | — | Estimated Value of Securities | — | — | — | Stock | — | — | — |
| . | — | Surplus to <i>contra</i> | — | — | — | Fixtures | — | — | — |
| 872 | — | Partly-secured Creditors (C) | — | — | — | TOTAL | — | — | — |
| 267 | — | Estimated Value of Securities | — | — | — | Book Debts (I)— | — | — | — |
| | — | Preferential Creditors (deducted as <i>per contra</i>) | — | — | — | Good | — | — | — |
| | — | | — | — | — | Doubtful | — | — | — |
| | — | | — | — | — | Bad | — | — | — |
| | — | | — | — | — | Surplus as per <i>contra</i> (Sch. B) | — | — | — |
| | — | | — | — | — | TOTAL ASSETS | — | — | — |
| | — | | — | — | — | Deduct for Preferential Creditors as <i>per contra</i> | — | — | — |
| | — | | — | — | — | Deficiency (K) | — | — | — |
| £11,817 | — | | — | £8,800 | — | | — | £8,800 | — |

STATEMENT OF AFFAIRS OF RICHARD HUMPHREY

ON 31ST JANUARY, 19..

796

EXERCISE XXI—No. 3.

STATEMENT OF AFFAIRS OF JONAS JOHNSON

ON 18TH MARCH, 19..

| Gross Liabilities. | | LIABILITIES. | | Expected to Rank. | | ASSETS. | | Expected to Produce. | |
|--------------------|-------|--------------------------------|--------|-------------------|-------|--|--------|----------------------|-------|
| £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 22,100 | — | Unsecured Creditors (A) | — | 22,100 | — | Property (H)— | — | — | — |
| 9,870 | — | Fully-secured Creditors (B) | 9,870 | — | — | Cash in hand | — | 5 | — |
| | — | Value of Securities | 12,107 | — | — | Office Furniture | — | 50 | — |
| | — | Surplus to <i>contra</i> | 2,237 | — | — | Plant and Machinery | 12,600 | 4,200 | — |
| 4,764 | — | Partly-secured Creditors (C) | 4,764 | — | — | Life Policy in Atlas Assurance Co. | 480 | 192 | — |
| | — | Value of Securities | 2,321 | — | — | TOTAL | — | 4,447 | — |
| 850 | — | Preferential Creditors (F & G) | 850 | — | 2,443 | Book Debts (I)— | — | 3,000 | — |
| | — | Rents, Rates, Taxes, and Wages | 600 | — | — | Good | — | 500 | — |
| | — | Deducted as <i>per contra</i> | — | — | — | Doubtful | — | 300 | — |
| | — | | | 250 | — | Bad | — | £800 | — |
| | — | | | | — | Surplus as <i>per contra</i> (Sch. B) | — | 200 | — |
| | — | | | | — | TOTAL ASSETS | — | 2,237 | — |
| | — | | | | — | Deduct for Preferential Creditors as <i>per contra</i> | — | 9,884 | — |
| | — | | | | — | Deficiency (K) | — | 600 | — |
| | — | | | | — | | — | 9,284 | — |
| | — | | | | — | | — | 15,509 | — |
| | — | | | | — | | — | 24,793 | — |
| £37,584 | — | | | £24,793 | — | | — | — | — |

£ 9,284 = 7/5 $\frac{1}{2}$ in the £ before expenses of Realization are deducted.
£ 24,793

ON 31ST DECEMBER, 19..

| Gross Liabilities. | | LIABILITIES. | | Expected to Rank, | | ASSETS. | | Expected to Produce. | | |
|--------------------|-------|--|-------|-------------------|-------|---------|--|----------------------|-------|-------|
| £ | s. d. | | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 6,000 | — | Unsecured Creditors (A) . . . | 2,200 | — | 6,000 | — | Property (H)— | . . . | 200 | — |
| 9,000 | — | Fully-secured Creditors (B) . . . | 2,500 | — | | | Cash in hand . . . | . . . | 1,900 | — |
| 2,300 | — | Value of Security (Property) . . . | | — | | | Stock-in-Trade . . . | . . . | 2,100 | — |
| | | Surplus to contra . . . | 200 | — | | | TOTAL . . . | . . . | 2,000 | — |
| 400 | — | Partly-secured Creditors (C) . . . | 400 | — | | | Book Debts (I)— | . . . | 300 | — |
| | | Value of Security (Shares). . . | 150 | — | | | Good . . . | . . . | 500 | — |
| | | Preferential Creditors (G)— | 100 | — | 250 | — | Doubtful . . . | . . . | | |
| | | Creditors for Taxes, Wages, and Salaries | | | | | Bad . . . | . . . | | |
| | | (deducted as <i>per contra</i>) . . . | | | | | Surplus from <i>contra</i> (Sch. B) . . . | . . . | 100 | — |
| | | | | | | | TOTAL ASSETS . . . | . . . | 200 | — |
| | | | | | | | Debt due for Preferential Creditors as <i>per contra</i> . . . | . . . | 4,400 | — |
| | | | | | | | NET ASSETS . . . | . . . | 100 | — |
| | | | | | | | Deficiency (K) . . . | . . . | 4,300 | — |
| | | | | | | | | | 1,950 | — |
| | | | | | | | | | 4,300 | — |
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| | | | | | | | | | 1,950 | — |
| | | | | | | | | | 4,300 | — |
| | | | | | | | | | 1,950 | — |
| | | | | | | | | | | |

DEFICIENCY ACCOUNT

| <i>Capital at Commencement—</i> | <i>s.</i> | <i>d.</i> | <i>£</i> | <i>s.</i> | <i>d.</i> | <i>£</i> | <i>s.</i> | <i>d.</i> |
|--|-----------|-----------|-----------------|-----------|-----------|----------|-----------------|-----------|
| Black | . | 2,500 | — | — | — | — | — | — |
| White | . | 2,900 | — | — | — | — | — | — |
| <i>Profits by Trading—</i> | | | | | | | | |
| 1st year | . | | 3,000 | — | — | — | — | — |
| Deficiency as per Statement of Affairs | . | | 1,950 | — | — | — | — | — |
| <i>Losses by Trading—</i> | | | | | | | | |
| 2nd and 3rd years | . | | 5,400 | — | — | — | — | — |
| Partners' Drawings— | | | | | | | | |
| Black | . | | | 2,000 | — | — | — | — |
| White | . | | | 2,850 | — | — | — | — |
| Bad Debts | . | | | | 4,850 | — | — | — |
| Estimated Losses on Realization— | | | | | 700 | — | — | — |
| Property | . | | | | 500 | — | — | — |
| | | | <i>£</i> 10,350 | — | — | — | <i>£</i> 10,350 | — |

EXERCISE XXI—No. 5.

STATEMENT OF AFFAIRS OF THOMAS JONES

ON.....

| Gross Liabilities. | | LIABILITIES. | | Expected to Rank. | | ASSETS. | | Expected to Produce. | |
|--------------------|-------|--|-------|-------------------|--------|---------|--|----------------------|--------|
| £. | s. d. | | £ | s. d. | £ | s. d. | £ | s. d. | £ |
| 3,050 | - | <i>Unsecured Creditors (A)—</i> | | | | | <i>Property (H)—</i> | | |
| | | On Open Accounts | 2,500 | - | | | Cash in hand | 800 | 20 |
| | | Liabilities on Bills | 400 | - | | | Stock-in-Trade | 500 | - |
| | | Bank Overdraft | 150 | - | 3,050 | - | Trade Fixtures | 300 | 120 |
| 500 | - | Fully-secured Creditors (B) | 500 | - | | | Plant and Machinery | 500 | 400 |
| | | Estimated Value of Security | 600 | - | | | TOTAL | 1,040 | - |
| 90 | - | Surplus to contra | 100 | - | | | <i>Book Debts (I)—</i> | 500 | - |
| | | <i>Preferential Creditors—</i> | | | | | Good | 250 | - |
| | | Rent for $\frac{1}{2}$ year (F) | 50 | - | | | Doubtful | 250 | - |
| | | Rates and Taxes (G) | 10 | - | | | Bad | £500 | - |
| | | Domestic Servants' Wages, 3 mos. (G) | 30 | - | | | Surplus as <i>per contra</i> (Sch. B) | 100 | - |
| | | Deducted as <i>per contra</i> | £90 | - | | | TOTAL ASSETS | 1,740 | - |
| | | | | | | | Deduct for Preferential Creditors as <i>per contra</i> | 90 | - |
| | | | | | | | NET ASSETS | 1,650 | - |
| | | | | | | | Deficiency (K) | 1,400 | - |
| £3,640 | - | | | | £3,050 | - | | | £3,050 |

EXERCISE XXI—No. 6.

STATEMENT OF AFFAIRS OF WINTER & CO.
ON 29TH SEPTEMBER, 19..

| Gross Liabilities. | | LIABILITIES. | | Expected to Rank. | | ASSETS. | | Expected to Produce. | |
|--------------------|-------|---|-------|-------------------|-------|--|-------|----------------------|-------|
| £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 6,050 | — | Unsecured Creditors (A) : | — | 6,050 | — | Property (H)— | — | 410 | — |
| 2,560 | — | Fully-secured Creditors (B) : | 2,560 | — | — | Cash at Bank : | — | 1,200 | — |
| | — | Value of Security (Stock) : | 3,000 | — | — | Stock-in-Trade : | — | — | — |
| | — | Surplus to contra . . . | 440 | — | — | Furniture, etc. . . | — | 250 | — |
| 1,000 | — | Partly-secured Creditors (C) : | 1,000 | — | — | Land and Buildings . | — | 1,000 | — |
| | — | Value of Security (Stock) : | 565 | — | — | TOTAL . . . | — | 2,860 | — |
| 90 | — | Preferential Creditors (G)— | 90 | — | — | Book Debts (I)— | — | — | — |
| | — | Wages and Taxes deducted as <i>per contra</i> | — | — | — | Good | — | 100 | — |
| | — | | | | | Doubtful . . . | — | 250 | — |
| | — | | | | | Surplus as <i>per contra</i> (Sch. B) | — | 440 | — |
| | — | | | | | TOTAL ASSETS | — | 3,900 | — |
| | — | | | | | Deduct for Preferential Creditors as <i>per contra</i> . | — | 90 | — |
| | — | | | | | NET ASSETS . . . | — | 3,810 | — |
| | — | | | | | Deficiency (K) . . . | — | 2,675 | — |
| 49,700 | — | | | 46,485 | — | | — | 46,485 | — |

EXERCISE XXI—No. 7.

STATEMENT OF AFFAIRS OF SAMUEL HOBSON

ON.....

| Gross Liabilities. | | LIABILITIES. | | Expected to Rank. | | ASSETS. | | Expected to Produce. | |
|--------------------|-------|---------------------------------------|-------|-------------------|-------|---|--------|----------------------|-------|
| £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 16,740 | — | Unsecured Creditors (A) | 3,110 | — | — | Property (H)— | — | — | — |
| 3,110 | — | Fully-secured Creditors (B) | 6,950 | — | — | Cash at Bankers | 3,300 | 2,000 | — |
| | — | Value of Security (Shares) | 3,840 | — | — | Freehold House | — | 1,000 | — |
| | — | Surplus to contra | — | — | — | 1,000 Ordinary Shares in Cable Telegraph Co., | — | — | — |
| 5,420 | — | Partly-secured Creditors | 5,420 | — | — | TOTAL | — | 3,420 | — |
| | — | Value of Security (Shares) | 2,500 | — | — | Book Debts (I)— | — | — | — |
| 500 | — | Preferential Creditors— | — | — | — | Good | 2,800 | 1,280 | — |
| | — | Rent (F) and Salaries (G) deducted as | — | — | — | Doubtful | 700 | — | — |
| | — | per contra | 500 | — | — | Bad | — | — | — |
| | — | | — | — | — | Bills of Exchange (J) | £3,500 | 1,000 | — |
| | — | | — | — | — | Surplus as per contra (Sch. B) | — | 800 | — |
| | — | | — | — | — | TOTAL ASSETS | — | 3,840 | — |
| | — | | — | — | — | Deduct for Preferential Creditors as per contra | — | 10,340 | — |
| | — | | — | — | — | Deficiency (K) | — | 500 | — |
| £25,770 | — | | — | — | — | | — | 9,840 | — |
| | — | | — | — | — | | — | 9,820 | — |
| | — | | — | — | — | | — | £19,660 | — |

DEFICIENCY ACCOUNT

| Capital at commencement | | s. d. | | s. d. | |
|-------------------------|-------|------------------------------------|-------|--------|-------|
| £ | s. d. | £ | s. d. | £ | s. d. |
| 3,800 | — | Samuel Hobson's Drawings | — | 1,200 | — |
| 9,820 | — | Business Expenses | — | 3,200 | — |
| | — | Unsuccessful Action | — | 5,420 | — |
| | — | Estimated Losses on Realisation— | — | — | — |
| | — | Freehold House | 1,300 | — | — |
| | — | Debtors | 2,500 | — | — |
| | — | | — | — | — |
| | — | | — | £ | — |
| | — | | — | 13,620 | — |

EXERCISE XXI—No. 8.

STATEMENT OF AFFAIRS OF CHARLES JACKSON

ON.....

| Gross Liabilities. | | | Liabilities. | | | Expected to Rank. | | | Assets. | | | Expected to Produce. | | |
|--------------------|----|----|---------------------------------------|----|----|-------------------|----|----|---|----|----|----------------------|--------|----|
| £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| 753 | 4 | 11 | Unsecured Creditors (A) | . | . | 753 | 4 | 11 | Property (H)— | . | . | . | . | . |
| 800 | — | — | Fully-secured Creditors (B) | . | . | 800 | — | — | Cash in hand | . | . | . | 1 | 10 |
| | | | Value of Security (Works) | . | . | 1,000 | — | — | Cash in Bank | . | . | . | 140 | 2 |
| | | | Surplus to contra | . | . | £200 | — | — | Cash in hands of Solicitor | . | . | . | — | 10 |
| 200 | — | — | Accommodation Bills (D) | . | . | 200 | — | — | Stock-in-Trade | . | . | . | 398 | 4 |
| 200 | — | — | Contingent or Other Liabilities (E) | . | . | 200 | — | — | Furniture | . | . | . | 275 | — |
| 86 | 14 | 8 | Preferential Creditors— | . | . | 100 | — | — | Fittings | . | . | . | 175 | — |
| | | | Rent (F) | . | . | 10 | — | — | Machinery | . | . | . | 50 | — |
| | | | Rates | . | . | 29 | 18 | 3 | Gold Watch and Chain | . | . | . | 200 | — |
| | | | Income Tax | . | . | 20 | — | — | TOTAL | . | . | . | 866 | 12 |
| | | | Wages | . | . | 26 | 16 | 5 | Book Debts (I)— | . | . | . | 118 | 10 |
| | | | Deducted as per contra | . | . | £86 | 14 | 8 | Good | . | . | . | 76 | 4 |
| | | | Surplus (£) | . | . | 162 | 6 | 8 | Doubtful | . | . | . | 296 | 11 |
| | | | | . | . | | | | Bad | . | . | . | £372 | 15 |
| | | | | . | . | | | | Bills of Exchange (J) | . | . | . | 30 | — |
| | | | | . | . | | | | Surplus as per contra (Sch. B) | . | . | . | 87 | 4 |
| | | | | . | . | | | | TOTAL ASSETS | . | . | . | 200 | — |
| | | | | . | . | | | | Deduct for Preferential Creditors as per contra | . | . | . | 1,302 | 6 |
| | | | | . | . | | | | Net Assets | . | . | . | 86 | 14 |
| | | | | . | . | | | | | . | . | . | £1,215 | 11 |
| | | | | . | . | | | | | . | . | . | — | 7 |
| £2,039 | 19 | 7 | | . | . | £1,215 | 11 | 7 | | . | . | . | — | — |

EXERCISE XXI—No. 9.

STATEMENT OF AFFAIRS OF FRED JACKSON
ON 31st MARCH, 19..

| Gross Liabilities. | | LIABILITIES. | | Expected to Rank. | | ASSETS. | | Expected to Produce. | |
|--------------------|-------|--|-------|-------------------|-------|---|-------|----------------------|-------|
| £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 15,290 | — | Unsecured Creditors (A) | — | 15,290 | — | Property (H)— | | | |
| 5,200 | — | Fully-secured Creditors (B) | 5,200 | — | — | Cash in hand | | 10 | — |
| | — | Value of Securities | 9,500 | — | — | Stock-in-Trade | | 1,400 | — |
| | — | Surplus to (C) | 4,300 | — | — | Fixed Plant and Machinery | | 3,000 | — |
| 5,400 | — | Partly-secured Creditors | 5,400 | — | — | Household Furniture, etc., | | 360 | — |
| | — | Value of Securities | 4,300 | — | 1,100 | 600 Shares in Cooper & Co., Ltd. (10/- paid up, quoted @ 12/6) | | 375 | — |
| 25 | — | Preferential Creditors— | 25 | — | — | TOTAL | | 5,145 | — |
| | — | Rent (F) deducted as <i>per contra</i> | — | — | — | Book Debts (I)— | | 6,000 | — |
| | — | | | | | Good | | 500 | — |
| | — | | | | | Doubtful | | 750 | — |
| | — | | | | | Bad | | — | — |
| | — | | | | | TOTAL | | £1,250 | — |
| | — | | | | | Deficit for Preferential Creditors as <i>per contra</i> | | — | — |
| | — | | | | | TOTAL ASSETS | | 11,395 | — |
| | — | | | | | NET ASSETS | | 25 | — |
| | — | | | | | Deficiency (K) | | 11,370 | — |
| £25,915 | — | | | £16,390 | — | | | 5,020 | — |
| | — | | | | | | | 16,390 | — |

NOTE.—The Securities consist of Leasehold Premises £9,000, and the Life Insurance Policy (at surrender value) £500.

DEFICIENCY ACCOUNT

806

STATEMENT OF AFFAIRS OF THE SANDY FREEHOLD LAND SOCIETY
ON 9TH JULY, 19..

807

EXERCISE XXI—No. 12. STATEMENT OF AFFAIRS OF WILLIAM CORBY
ON 10TH OCTOBER, 19..

| Gross Liabilities. | | LIABILITIES. | | Expected to Rank. | | ASSETS. | | Expected to Produce. | |
|--------------------|-------|---|--------|-------------------|-------|--|-------|----------------------|-------|
| £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 9,448 | — | Unsecured Creditors (A)— | | | | Property (H)— | | | |
| | | Trade Accounts | 4,140 | — | | Cash | | 85 | — |
| | | Cash Advances | 5,308 | — | 9,448 | Stock-in-Trade | | 1,900 | — |
| 1,420 | — | Fully-secured Creditors (B) | 1,420 | — | | Office Furniture | | 25 | — |
| | | Value of Security (Life Policies). | 1,470 | — | | Plant, Tools, etc. | | 500 | — |
| | | Surplus to contra | 50 | — | | Investments | | 740 | — |
| 10,134 | — | Partly-secured Creditors (C) | 10,134 | — | | Unfinished Contracts. | | 3,000 | — |
| | | Value of Securities | 7,460 | — | | TOTAL | | 6,250 | — |
| 165 | — | Preferential Creditors— | | 2,674 | | Book Debts (I)— | | 2,869 | — |
| | | Rent (F) | 45 | — | | Good | | 603 | — |
| | | Wages (G) | 120 | — | | Bad | | — | — |
| | | Deducted as <i>per contra</i> | 165 | — | | Surplus as <i>per contra</i> (Sch. B) | | — | — |
| | | | 125 | — | | TOTAL ASSETS | | 50 | — |
| | | | 125 | — | | Deduct for Preferential Creditors as <i>per contra</i> . | | 9,189 | — |
| | | | | 40 | | Deficiency (K) | | 125 | — |
| £21,167 | — | | | £12,162 | — | | | 9,044 | — |
| | | | | | | | | 3,118 | — |
| | | | | | | | | £12,162 | — |

DEFICIENCY ACCOUNT

| Capital at commencement, 1st Jan., 19.. | | Trading Loss— | |
|--|-------|--|--------|
| £ | s. d. | £ | s. d. |
| Deficiency as per Statement of Affairs | 3,118 | 1st January to 10th October of same year | 374 |
| | | Drawings | 750 |
| | | Bad Debts | 603 |
| | | Loss on Sale of Investments | 200 |
| | | Estimated Loss on Realization— | |
| | | Plant | 1,380 |
| | | | £3,307 |

ON 31ST DECEMBER, 19..

| Gross Liabilities. | | | LIABILITIES. | | | Expected to Rank. | | Assets. | | Expected to Produce. | |
|--------------------|----|----|---|----|----|-------------------|----|--|----|----------------------|----|
| £ | s. | d. | £ | s. | d. | £ | s. | £ | s. | £ | s. |
| 15,950 | — | — | Unsecured Creditors (A). | | | 15,050 | — | Property (H)— | | | |
| 19,080 | — | — | Partly-secured Creditors (B). | | | — | — | Cash in hand. | | | |
| | | | Value of Securities. | | | 13,080 | — | Stock-in-trade. | | 10,100 | — |
| 2,060 | — | — | Bills under Discount. | | | 2,060 | — | Machinery and Plant. | | 12,500 | — |
| 500 | — | — | Preferential Creditors— | | | 280 | — | Land and Buildings. | | 8,000 | — |
| | | | Wages, Taxes, etc., deducted as <i>per contra</i> . | | | 500 | — | TOTAL. | | — | — |
| | | | | | | | | Book Debts (I). | | 18,502 | — |
| | | | | | | | | Good. | | 7,860 | — |
| | | | | | | | | Doubtful and Bad. | | 178 | — |
| | | | | | | | | TOTAL ASSETS | | 26,540 | — |
| | | | | | | | | Deduct for Preferential Creditors as <i>per contra</i> . | | 500 | — |
| | | | | | | | | NET ASSETS. | | 26,040 | — |
| | | | | | | | | Deficiency (K). | | 2,370 | — |
| £36,690 | — | — | | | | £28,410 | — | | | 28,410 | — |

DEFICIENCY ACCOUNT

| Capital at Commencement | | | Drawings (£900 p.a. for 5 years) | | | Expected to Rank. | | Assets. | | Expected to Produce. | |
|-------------------------|----|----|----------------------------------|----|----|-------------------|----|--|----|----------------------|----|
| £ | s. | d. | £ | s. | d. | £ | s. | £ | s. | £ | s. |
| 1,602 | — | — | Bad Debts. | | | 25,000 | — | Expenditure on Patents and Experiments | | 4,500 | — |
| 630 | — | — | Estimated Losses on Realization— | | | — | — | Securities in hands of Creditors | | 1,500 | — |
| 550 | — | — | Stock-in-Trade | | | — | — | Machinery and Plant | | — | — |
| 500 | — | — | Land and Buildings | | | 3,582 | — | Land and Buildings | | 24,200 | — |
| 300 | — | — | Bills under Discount | | | 2,370 | — | | | 280 | — |
| | | | | | | £30,952 | — | | | 30,952 | — |

EXERCISE XXI—No. 14.

STATEMENT OF AFFAIRS OF "A"

ON 31ST DECEMBER, 19..

| Gross Liabilities. | | LIABILITIES. | | Expected to Rank. | | ASSETS. | | Expected to Produce. | |
|--------------------|-------|--|---------|-------------------|-------|--|-------|----------------------|-------|
| £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 75,000 | — | Unsecured Creditors (A). | — | 75,000 | — | Property (H)— | — | 100 | — |
| 10,100 | — | Fully-secured Creditors (B)— | — | — | — | Cash at Bank | — | 89,900 | — |
| | — | Mortgage. | 10,000 | — | — | Stock (less item of £100) | — | — | — |
| | — | Open Accounts | 100 | — | — | Consignments | — | — | — |
| | — | | — | — | — | Fixtures | — | 3,000 | — |
| | — | | — | — | — | Machinery | — | 15,000 | — |
| | — | Value of Securities— | £11,000 | — | — | Cottages | — | 3,500 | — |
| | — | Mill | 100 | — | — | | — | — | — |
| | — | Lien on Stock | — | 11,100 | — | | — | — | — |
| | — | Surplus to contra | — | £1,000 | — | TOTAL | — | 61,500 | — |
| 40,000 | — | Partly-secured Creditors (C) | — | 40,000 | — | Book Debts (I)— | — | 20,000 | — |
| | — | Value of Security (Shares) | — | 16,000 | — | Good | — | — | — |
| | — | | — | — | — | Doubtful } | — | 10,000 | — |
| 7,000 | — | Liability on Bills Discounted (D) | — | 24,000 | — | Bad | — | — | — |
| | — | | — | 3,500 | — | | — | — | — |
| 3,000 | — | Preferential Creditors deducted in full as <i>per contra</i> | — | — | — | | — | 2,000 | — |
| | — | | — | — | — | Bills of Exchange (J). | — | 1,400 | — |
| | — | | — | — | — | Surplus as <i>per contra</i> (Sch. B) | — | 1,000 | — |
| | — | | — | — | — | TOTAL ASSETS | — | 85,900 | — |
| | — | | — | — | — | Deduct for Preferential Creditors as <i>per contra</i> | — | 3,000 | — |
| | — | | — | — | — | Net Assets | — | 82,900 | — |
| | — | | — | — | — | Deficiency (K) | — | 19,600 | — |
| £135,100 | — | | — | £102,500 | — | | — | £102,500 | — |

EXERCISE XXI—No. 14 (*contd.*).

DEFICIENCY ACCOUNT

| | £ | s. | d. | | £ | s. | d. | | £ | s. | d. |
|--|--------|----|----|---|--------|----|----|--|----------|----|----|
| Capital at Commencement | 50,000 | — | — | A's Drawings | | | | | | | |
| Trading Profits | 30,500 | — | — | Bad Debts. | | | | | | | |
| Deficiency as per Statement of Affairs | 19,800 | — | — | <i>Estimated Losses on Realization—</i> | | | | | | | |
| | | | | Stock | 20,000 | | | | | | |
| | | | | Fixtures. | 1,500 | | | | | | |
| | | | | Machinery | 3,000 | | | | | | |
| | | | | Cottages. | 500 | | | | | | |
| | | | | Liability on Bills Discounted | | | | | 25,000 | | |
| | | | | | | | | | 3,500 | | |
| | | | | | | | | | £100,100 | | |

STATEMENT OF AFFAIRS OF JOHN HOWSON

EXERCISE XXI—No. 15. ON

| Gross Liabilities. | | LIABILITIES. | | Expected to Rank. | | ASSETS. | | Expected to Produce. | |
|--------------------|-------|---|-------|-------------------|-------|--|-------|----------------------|-------|
| £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 4,000 | — | Unsecured Creditors (A) | 1,200 | — | — | <i>Property (H)—</i> | | £15 | — |
| 1,200 | — | Fully-secured Creditors (B) | 1,500 | — | — | Cash | | 200 | — |
| | | Value of Security | | | | Furniture, etc. | | 1,500 | — |
| | | Surplus <i>contra</i> | £300 | — | — | Stock-in-Trade | | 1,500 | — |
| | | | | | | Plan land Machinery. | | | |
| 3,000 | — | Partly-secured Creditors (C) | 3,000 | — | — | TOTAL | | 3,215 | — |
| | | Value of Security | 2,000 | — | — | <i>Book Debts (I)—</i> | | 1,000 | — |
| £00 | — | Liability on Bills Discounted (D) | £500 | — | — | Good | 200 | | |
| | | | | | | Doubtful | 150 | | |
| 115 | — | <i>Preferential Creditors—</i> | | | | Bad | £350 | | |
| | | Rent (F) | 15 | — | — | Surplus as <i>per contra</i> (Sch. B) | | 300 | — |
| | | Wages (G) | 100 | — | — | TOTAL ASSETS | | 4,615 | — |
| | | Deducted as <i>per contra</i> | £115 | — | — | <i>Deduct for Preferential Creditors as per contra .</i> | | 115 | — |
| | | | | | | Deficiency (K) | | £4,500 | — |
| | | | | | | | | 750 | — |
| £8,815 | — | | | | | | | £5,250 | — |

EXERCISE XXI—No. 16.

STATEMENT OF AFFAIRS OF JOHN MASON
ON 31ST MARCH, 19..

| Gross Liabilities. | | LIABILITIES. | | Expected to Rank. | | Assets. | | Expected to Produce. | |
|--------------------|-------|---|-------|-------------------|-------|--|-------|----------------------|--------|
| £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 3,500 | — | Unsecured Creditors (A)— | | | | Property (H)— | | | |
| | | Trade | 2,500 | — | | Cash | | 1,500 | 25 |
| | | Cash | 1,000 | — | 3,500 | Stock | | | 1,000 |
| 3,543 | 15 | Fully-secured Creditors (B) | 3,543 | 15 | | Furniture, etc. | | 300 | 180 |
| | | (Mortgage on Freehold Land and Buildings) (including 1 Qrs. Interest) | | | | Plant and Machinery | | 1,200 | 600 |
| | | Value of Security (freehold Land and Buildings) | 4,500 | — | | TOTAL | | | 1,805 |
| | | Surplus to contra | 956 | 5 | | Book Debts (I)— | | | 1,000 |
| 1,000 | — | Partly-secured Creditors (C) | 1,000 | — | | Good | | 300 | — |
| | | Value of Security | 600 | — | | Doubtful | | 500 | — |
| 300 | — | Preferential Creditors (F & G)— | 300 | — | 400 | Bad | | £800 | 100 |
| | | Rent, Rates, Taxes, and Wages deducted as <i>per contra</i> | | | | Surplus as <i>per contra</i> (Sch. B) | | | 956 |
| | | | | | | TOTAL ASSETS | | | 3,861 |
| | | | | | | Deduct for Preferential Creditors as <i>per contra</i> | | | 300 |
| | | | | | | NET ASSETS | | | 3,561 |
| | | | | | | Deficiency (K) | | | 338 |
| £8,343 | 15 | | | £3,900 | — | | | | £3,900 |

EXERCISE XXI—No. 17.

STATEMENT OF AFFAIRS OF HENRY JONES

ON.....

| Gross Liabilities. | | | LIABILITIES. | | | Expected to Rank. | | | ASSETS. | | | Expected to Produce. | | |
|--------------------|----|----|---|----|----|-------------------|----|----|--|----|----|----------------------|----|----|
| £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| 5,365 | — | — | <i>Unsecured Creditors (A)—</i> | | | 1,965 | — | — | <i>Property (H)—</i> | | | 10 | — | — |
| | | | Open Accounts | | | 1,200 | — | — | Cash | | | 1,200 | — | — |
| | | | Bank Overdraft | | | 2,200 | — | — | Stock-in-Trade | | | | | |
| | | | Bills Payable | | | | | | Fixtures and Fittings | | | 250 | — | — |
| 612 | — | — | <i>Fully-secured Creditors (B)—</i> | | | | | | Household Furniture, etc. | | | | | |
| | | | Mortgage on House of £800 @ 4% (including Interest of £12 due) | | | 612 | — | — | TOTAL | | | 250 | — | — |
| | | | Value of Security | | | 750 | — | — | | | | | | |
| | | | Surplus to contra | | | 138 | — | — | <i>Bank Debts (I)—</i> | | | 1,540 | — | — |
| 500 | — | — | Liability on Bills Discounted (D) | | | 500 | — | — | Good | | | 1,000 | — | — |
| 50 | — | — | <i>Preferential Creditors—</i> | | | | | | Doubtful | | | 2,000 | — | — |
| | | | Rates (G) | | | 15 | — | — | Bad | | | 2,000 | — | — |
| | | | Sundry | | | 35 | — | — | | | | £4,000 | — | — |
| | | | Deducted as <i>per contra</i> | | | £50 | — | — | Surplus as <i>per contra</i> (Sch. B) | | | 138 | — | — |
| | | | | | | | | | TOTAL ASSETS | | | 3,678 | — | — |
| | | | | | | | | | Deduct for Preferential Creditors as <i>per contra</i> | | | 50 | — | — |
| | | | | | | | | | NET ASSETS | | | 3,628 | — | — |
| | | | | | | | | | Deficiency (K) | | | 1,837 | — | — |
| | | | | | | | | | | | | £5,465 | — | — |
| £6,527 | — | — | | | | | | | | | | | | |

EXERCISE XXI—No. 18.

STATEMENT OF AFFAIRS OF "A"

ON 15TH OCTOBER, 19..

| Gross Liabilities. | | | LIABILITIES. | | | Expected to Rank. | | | ASSETS. | | | Expected to Produce. | | |
|--------------------|----|----|---|----|----|-------------------|----|----|---|----|----|----------------------|----|----|
| £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| 23,598 | 7 | 6 | Unsecured Creditors (A) | | | | | | Property (H)— | | | | | |
| | | | Fully-secured Creditor (B)— | | | | | | Cash in hand (including Petty Cash) | | | 31 | 16 | 4 |
| | | | Bank Overdraft | | | | | | Stock | | | 7,468 | 17 | 9 |
| 6,897 | 3 | 6 | Value of Securities— | | | 6,897 | 3 | 6 | Fixtures and Fittings | | | 7,329 | 7 | 2 |
| | | | (a) Freehold Property £6,000/- | | | | | | Office Furniture | | | 262 | 8 | — |
| | | | (b) Stock £2,383/10/10 | | | | | | Private Assets (consisting of Life Policy £100 | | | 585 | — | — |
| | | | (as per Dock Warrant) | | | 8,333 | 10 | 10 | (held as a security) and Household Furniture). | | | 682 | 5 | — |
| | | | Surplus to contra | | | 1,486 | 7 | 4 | Horses and Carts | | | 9,859 | 14 | 3 |
| 589 | 2 | 6 | Partly-secured Creditors | | | 589 | 2 | 6 | TOTAL | | | 4,780 | 3 | 5 |
| | | | Value of Security (Life Policy) | | | 100 | — | — | Book Debts (I)— | | | | | |
| 589 | 17 | 2 | Liability on Bills Discounted (D) | | | | | | Good | | | 365 | — | — |
| 389 | 5 | 3 | Contingent Liabilities (E)— | | | | | | Doubtful | | | 144 | — | — |
| 182 | 3 | 6 | Private Debts | | | | | | Bad | | | 509 | — | — |
| | | | Preferential Creditors— | | | | | | | | | 4,283 | 3 | 7 |
| | | | H. Jones for Rent (F) | | | | | | Bills Receivable (J) | | | | | |
| | | | Rates (G) | | | | | | Surplus as per contra (Sch. B) | | | 1,486 | 7 | 4 |
| | | | Deducted as per contra | | | | | | TOTAL ASSETS | | | 19,804 | 5 | — |
| | | | | | | | | | Deducted for Preferential Creditors as per contra | | | 182 | 3 | 6 |
| | | | | | | | | | NET ASSETS | | | 19,622 | 1 | 6 |
| | | | | | | | | | Deficiency (K) | | | 5,084 | 7 | 2 |
| | | | | | | | | | | | | 24,706 | 8 | 8 |
| | | | | | | | | | | | | £ | | |
| £32,245 | 19 | 5 | | | | | | | | | | | | |

EXERCISE XXI—No. 19.

STATEMENT OF AFFAIRS OF CATCHEM & CHEETAM
ON 31ST DECEMBER, 19..

| Gross Liabilities. | | | LIABILITIES. | | | Expected to Rank. | | | ASSETS. | | | Expected to Produce. | | |
|--------------------|----|----|---|--------|----|-------------------|----|----|---|----|----|----------------------|----|----|
| £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| 50,000 | — | — | Unsecured Creditors (A) | 10,000 | — | 50,000 | — | — | Property (H)— | | | 1,350 | — | — |
| 10,000 | — | — | Fully-secured Creditors (B) | 50,000 | — | | | | Cash and Bills | | | 10,800 | — | — |
| | | | Value of Security (Works) | | | | | | Stocks and Work-in-Progress | | | | | |
| | | | Surplus to contra | 40,000 | — | | | | Consignments | | | 2,000 | — | — |
| 30,000 | — | — | Partly-secured Creditors (C) | 30,000 | — | | | | Furniture and Fittings | | | 2,000 | — | — |
| 10,000 | — | — | Value of Security (Lien on Stock) | 7,200 | — | 22,800 | — | | TOTAL | | | 15,150 | — | — |
| 1,000 | — | — | Liability on Bills Discounted (D) | 10,000 | — | 3,000 | — | | Book Debts (I)— | | | 18,000 | — | — |
| | | | Preferential Creditors (G)— | | | | | | Good | | | 6,000 | — | — |
| | | | Salaries and Rates Deducted as | | | | | | Doubtful | | | 15,650 | — | — |
| | | | per contra | 1,000 | — | | | | Bad | | | 21,650 | — | — |
| | | | | | | | | | Surplus as per contra (Sch. B) | | | 40,000 | — | — |
| | | | | | | | | | TOTAL ASSETS | | | 76,150 | — | — |
| | | | | | | | | | Deduct for Preferential Creditors as per contra | | | 1,000 | — | — |
| | | | | | | | | | Net Assets | | | 75,150 | — | — |
| | | | | | | | | | Deficiency (K) | | | 650 | — | — |
| £101,000 | — | — | | | | £75,800 | — | — | | | | £75,800 | — | — |

Note.—As Stock realized £18,000 instead of £25,000, the value of lien held by Partly-secured Creditors would be only equal to $\frac{2}{3}$ of £10,000.

DEFICIENCY ACCOUNT

816

EXERCISE XXI—No. 20.

STATEMENT OF AFFAIRS OF "A"

ON 30TH JUNE, 19..

| Gross Liabilities. | | * LIABILITIES. | | Expected to Rank. | | ASSETS. | | Expected to Produce. | |
|--------------------|-------|---|-------|-------------------|-------|--|-------|----------------------|-------|
| £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 29,800 | — | Unsecured Creditors (A) | — | 29,800 | — | Property (H)— | — | — | — |
| 2,000 | — | Fully-secured Creditors (B) | 2,000 | — | — | Cash in hand | — | 10 | — |
| | — | Value of Security (Property) | 2,200 | — | — | Stock-in-trade | 6,600 | 4,950 | — |
| | — | Surplus to <i>contra</i> | 200 | — | — | Fixtures and Fittings | — | 230 | — |
| 5,000 | — | Partly-secured Creditors (C) | 5,000 | — | — | TOTAL | — | 5,190 | — |
| | — | Value of Securities | 1,550 | — | 3,450 | — | — | 7,312 | 10 |
| 1,500 | — | Liability on Bills Discounted | 1,500 | — | 300 | — | — | — | — |
| | — | Preferential Creditors— | — | — | — | Good | 120 | — | — |
| | — | Rates and Taxes (G) Deducted as <i>per contra</i> | 240 | — | — | Doubtful | 150 | — | — |
| 940 | — | | — | — | — | Bad | £270 | — | — |
| | — | | — | — | — | Surplus as <i>per contra</i> (Sch. B) | — | 40 | — |
| | — | | — | — | — | TOTAL ASSETS | — | 200 | — |
| | — | | — | — | — | Deduct for Preferential Creditors as <i>per contra</i> | — | 12,742 | 10 |
| | — | | — | — | — | Deficiency (K) | — | 240 | — |
| | — | | — | — | — | Net Assets | — | 12,502 | 10 |
| | — | | — | — | — | | — | 21,047 | 10 |
| | — | | — | — | — | | — | — | — |
| | — | | — | — | — | | — | £33,550 | — |
| £38,540 | — | | — | £33,550 | — | | — | — | — |

DEFICIENCY ACCOUNT

| Capital at Commencement | | Drawings (£3,000 p.a. for 2½ years) | | Bad Debts | | Expenses | | Estimated Losses on Realization— | | Stock | | Property | | Liability on Bills Discounted | |
|-------------------------|-------|-------------------------------------|-------|-----------|-------|----------|-------|----------------------------------|-------|-------|-------|----------|-------|-------------------------------|-------|
| £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 2,100 | — | 5,000 | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 420 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| | — | 2,520 | — | — | — | — | — | 1,800 | — | — | — | — | — | — | — |
| | — | 21,047 | 10 | — | — | — | — | 800 | — | — | — | — | — | — | — |
| | — | £28,567 | 10 | — | — | — | — | — | — | — | — | — | — | — | — |
| | — | | — | £28,567 | 10 | — | — | — | — | — | — | — | — | — | — |

EXERCISE XXI—No. 21.

STATEMENT OF AFFAIRS OF ALFRED SYKES

ON 31st DECEMBER, 19..

| Gross Liabilities. | | LIABILITIES. | | Expected to Rank. | | Assets. | | Expected to Produce. | |
|--------------------|-------|--|--------|-------------------|-------|---|-------|----------------------|-------|
| £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 51,750 | — | Unsecured Creditors (A) | — | 51,750 | — | Property (H)— | — | — | — |
| 20,000 | — | Fully-secured Creditors (B) | 20,000 | — | — | Cash in hand | — | 5 | — |
| | — | Value of Security | 26,000 | — | — | Stock (in Warehouse) | — | 1 | — |
| | — | Surplus to contra | 6,000 | — | — | Fixtures, Hoist, etc. | — | 666 | 13 4 |
| 7,500 | — | Partly-secured Creditors (C) | 7,500 | — | — | Properties, Stock, Book Debts (Brazil) | — | 333 | 6 8 |
| | — | Value of Security | 4,750 | — | — | TOTAL. | — | 16,000 | — |
| 3,000 | — | Liability on Bills Discounted (D) | 3,000 | — | 2,750 | Book Debts (I)— | — | — | — |
| | — | Preferential Creditors (G)— | — | — | — | Good | — | 17,006 | — |
| 250 | — | Wages and Taxes Deducted as per contra | 250 | — | — | Doubtful | — | 6,650 | — |
| | — | | — | — | — | Bad | — | — | — |
| | — | | — | — | — | Surplus as per contra (Sch. B) | — | 3,333 | 6 8 |
| | — | | — | — | — | TOTAL ASSETS | — | 6,000 | — |
| | — | | — | — | — | Deduct for Preferential Creditors as per contra | — | 32,989 | 6 8 |
| | — | | — | — | — | Deficiency (K) | — | 250 | — |
| | — | | — | — | — | | — | 32,739 | 6 8 |
| | — | | — | — | — | | — | 21,760 | 13 4 |
| | — | | — | — | — | | — | 54,500 | — |
| £82,500 | — | | — | £54,500 | — | | — | — | — |

DEFICIENCY ACCOUNT

819

EXERCISE XXI—No. 22.

STATEMENT OF AFFAIRS OF NATHAN THORPE

ON 20TH MARCH, 19..

| Gross Liabilities. | | | LIABILITIES. | | | Expected to Rank. | | | ASSETS. | | | Expected to Produce. | | |
|--------------------|----|----|---------------------------------------|----|----|-------------------|----|----|--|----|----|----------------------|----|----|
| £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| 3,150 | 13 | 4 | Unsecured Creditors (A) : | | | 3,150 | — | — | Property (H)— | | | | | |
| 4,566 | 13 | 4 | Fully-secured Creditors (B) : | | | | | | Cash in hand . | | | 1,000 | — | — |
| | | | Value of Securities : | | | | | | Stock-in-trade . | | | | | |
| | | | | | | 4,566 | 13 | 4 | | | | 600 | — | — |
| | | | Surplus to List C . | | | 5,500 | — | — | Loose Tools, Plant, etc. | | | 700 | — | — |
| | | | | | | 933 | 6 | 8 | | | | 350 | — | — |
| 1,025 | — | — | Partly-secured Creditors (C) . | | | | | | Household Furniture. | | | | | |
| | | | Value of Securities— | | | 1,025 | — | — | £1 Shares in Hole Mine Co. (500, 5/- paid) | | | 250 | — | — |
| | | | Surplus from B . | | | | | | | | | | | |
| | | | Bal. of Value of Life Policy | | | 933 | 6 | 8 | TOTAL . | | | 1,205 | — | — |
| 375 | — | — | Contingent Liabilities (E)— | | | | | | Book Debts (D)— | | | | | |
| | | | Hole Mine Co., Ltd. | | | | | | Good | | | 800 | — | — |
| | | | (15/- per share due on 500 £1 shares) | | | | | | Doubtful : | | | 2,000 | — | — |
| 140 | — | — | Preferential Creditors— | | | | | | Bad | | | £2,800 | — | — |
| | | | Rent (F) . | | | 95 | — | — | | | | | | |
| | | | Rates and Taxes (G) . | | | 45 | — | — | | | | | | |
| | | | Deducted as <i>per contra</i> . | | | 140 | — | — | TOTAL ASSETS | | | 1,690 | — | — |
| | | | | | | | | | Deduct for Preferential Creditors as <i>per contra</i> . | | | 140 | — | — |
| | | | | | | | | | NET ASSETS . | | | 1,550 | — | — |
| | | | | | | | | | Deficiency (K) . | | | 2,046 | 13 | 4 |
| £9,256 | 13 | 4 | | | | | | | | | | £3,596 | 13 | 4 |

EXERCISE XXI—No. 24.

ROBINSON BROS.' BALANCE SHEET

AS AT 3RD APRIL, 19..

| LIABILITIES. | | | ASSETS. | | |
|---------------------|----------|-------|-----------------------|----------|-------|
| | £ | s. d. | | £ | s. d. |
| Cash Creditors . . | 26,092 | — — | Cash | 843 | — — |
| Trade Creditors . . | 31,280 | — — | Bank | 1,050 | — — |
| Creditors | 2,128 | — — | Debtors | 2,975 | — — |
| | | | Stock | 30,155 | — — |
| | | | Fixtures | 1,400 | — — |
| | | | Life Policies | 2,353 | — — |
| | | | Properties | 14,395 | — — |
| | | | Partners Overdrawn— | | |
| | | | Alfred | £2,885 | |
| | | | Benjamin | 2,262 | |
| | | | Charles | 1,182 | |
| | | | | 6,329 | — — |
| | £ 59,500 | — — | | £ 59,500 | — — |

ALFRED ROBINSON'S BALANCE SHEET

AS AT 3RD APRIL, 19..

| LIABILITIES. | | | ASSETS. | | |
|-----------------------------------|--------|-------|-------------------------|--------|-------|
| | £ | s. d. | | £ | s. d. |
| Cash Creditors . . | 2,578 | — — | Household Furniture . . | 1,000 | — — |
| Tradesmen | 697 | — — | Other Effects | 3,000 | — — |
| Amount due to Partnership | 2,885 | — — | Deficiency | 2,160 | — — |
| | £6,160 | — — | | £6,160 | — — |

Notes.—

(a) It has been assumed that the Securities held by the Fully-secured Creditors, i.e. the amount of £14,395 would be represented by Property of the firm.

(b) The item "Other Effects" represents the "Securities" held by the Cash Creditors.

(c) The "Securities" have been assumed not to have represented the ACTUAL taking over of assets at time of making Balance Sheets.

EXERCISE XXI—No. 24 (*contd.*).

BENJAMIN ROBINSON'S BALANCE SHEET

AS AT 3RD APRIL, 19..

| LIABILITIES. | £ | s. | d. | ASSETS. | £ | s. | d. |
|-----------------------------------|---------------|----|----|-------------------------|---------------|----|----|
| Tradesmen | 119 | — | — | Household Furniture . . | 1,000 | — | — |
| Amount due to Partnership | 2,262 | — | — | Deficiency | 1,381 | — | — |
| | <u>£2,381</u> | — | — | | <u>£2,381</u> | — | — |

CHARLES ROBINSON'S BALANCE SHEET

AS AT 3RD APRIL, 19..

| LIABILITIES. | £ | s. | d. | ASSETS. | £ | s. | d. |
|-----------------------------------|---------------|----|----|---------------------------|---------------|----|----|
| Cash Creditors | 510 | — | — | Household Furniture . . | 500 | — | — |
| Tradesmen | 190 | — | — | Reversionary Interest . . | 200 | — | — |
| Amount due to Partnership | 1,182 | — | — | (under Will of J. Smith) | | | |
| | <u>£1,882</u> | — | — | Deficiency | 1,182 | — | — |
| | <u>£1,882</u> | — | — | | <u>£1,882</u> | — | — |

STATEMENT OF AFFAIRS OF ALFRED ROBINSON

ON 3RD APRIL, 19..

| LIABILITIES. | £ | s. | d. | ASSETS. | £ | s. | d. |
|--------------------------|---------------|----|----|--------------------------------|---------------|----|----|
| Unsecured Creditors (A) | 697 | — | — | Property (H)— | | | |
| Fully-secured | | | | Household Furniture | 1,000 | — | — |
| Creditors (B) £2,578 | | | | Surplus as <i>per contra</i> . | 422 | — | — |
| Value of | | | | (Sch. B) | | | |
| Security | 3,000 | | | | | | |
| Surplus | | | | | | | |
| to <i>contra</i> | 422 | | | | | | |
| SURPLUS to Partnership | 725 | — | — | | | | |
| | <u>£1,422</u> | — | — | | <u>£1,422</u> | — | — |

EXERCISE XXI—No. 24 (*contd.*).

STATEMENT OF AFFAIRS OF BENJAMIN ROBINSON

ON 3RD APRIL, 19..

| LIABILITIES. | £ | s. | d. | ASSETS. | £ | s. | d. |
|-------------------------|---------------|----|----|----------------------|---------------|----|----|
| Unsecured Creditors (A) | 119 | — | — | <i>Property</i> (H)— | | | |
| SURPLUS to Partnership | 881 | — | — | Household Furniture | 1,000 | — | — |
| | <u>£1,000</u> | — | — | | <u>£1,000</u> | — | — |

STATEMENT OF AFFAIRS OF CHARLES ROBINSON

ON 3RD APRIL, 19..

| LIABILITIES. | £ | s. | d. | ASSETS. | £ | s. | d. |
|-------------------------|-------------|----|----|--------------------------|-------------|-----|----|
| Unsecured Creditors (A) | 700 | — | — | <i>Property</i> (H)— | | | |
| | | | | Household Furniture . | £500 | | |
| | | | | Reversionary Interest . | 200 | | |
| | | | | (under Will of J. Smith) | — | 700 | — |
| | <u>£700</u> | — | — | | <u>£700</u> | — | — |

EXERCISE XXI—No. 24 (*contd.*).

STATEMENT OF AFFAIRS OF ROBINSON BROS.

ON 3RD APRIL, 19..

| Gross Liabilities. | | LIABILITIES. | | Expected to Rank. | | Assets. | | Expected to Produce. | |
|--------------------|-------|---|--------|-------------------|-------|--|-------|----------------------|-------|
| £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 37,922 | — | Unsecured Creditors (A) | — | 37,922 | — | Property (H)— | — | 843 | — |
| 10,435 | — | Fully-secured Creditors (B) | 10,435 | — | — | Cash in hand | — | 1,050 | — |
| | — | Value of Securities | 14,395 | — | — | Cash at Bank | — | 30,155 | — |
| | — | Surplus to <i>contra</i> | — | — | — | Stock-in-Trade | — | 1,400 | — |
| 9,015 | — | Partly-secured Creditors (C) | — | — | — | Surplus from Estates: | — | — | — |
| | — | Value of Securities | 2,353 | — | — | Alfred Robinson | 725 | — | — |
| | — | Liabilities on Bills Discounted (D). | — | — | — | Benjamin Robinson | 881 | — | — |
| 1,340 | — | Preferential Creditors, deducted as <i>per contra</i> | — | — | — | TOTAL | — | 1,606 | — |
| 2,128 | — | | — | — | — | Book Debts (I)— | — | 33,054 | — |
| | — | | — | — | — | Good | — | 2,975 | — |
| | — | | — | — | — | Surplus as <i>per contra</i> (Sch. B) | — | 3,960 | — |
| | — | | — | — | — | TOTAL ASSETS | — | 41,989 | — |
| | — | | — | — | — | Deduct for Preferential Creditors as <i>per contra</i> | — | 2,128 | — |
| | — | | — | — | — | NER ASSETS | — | 39,861 | — |
| | — | | — | — | — | Deficiency (K) | — | 4,723 | — |
| £60,840 | — | | — | £44,584 | — | | — | £44,584 | — |

EXERCISE XXI—No. 25.

STATEMENT OF AFFAIRS OF WOOD & SMITH

ON 1ST FEBRUARY, 19..

| Gross Liabilities. | | | LIABILITIES. | | | Expected to Rank. | | | ASSETS. | | | Expected to Produce. | | | |
|--------------------|----|----|---|--------|----|-------------------|--------|----|---|-------|----|----------------------|--------|----|----|
| £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | |
| 25,000 | 5 | 6 | Unsecured Creditors (A)— | | | | | | Property (H)— | | | | | | |
| | | | Trade | 23,000 | 5 | 6 | | | Cash in hand | . | . | | 65 | 4 | 10 |
| | | | "A's" Loan | 2,000 | — | — | | | Cash at Bank | . | . | | 270 | 14 | 2 |
| 4,600 | — | — | Partly-secured Creditors (B) | 4,600 | — | — | 25,000 | 5 | 6 | Stock | . | . | 1,275 | 6 | 10 |
| | | | Value of Security | 4,000 | — | — | | | Fixtures, etc. | . | . | | 400 | — | — |
| 240 | 12 | 6 | Preferential Creditors (G), deducted as per contra | 240 | 12 | 6 | 600 | — | TOTAL | . | . | | 1,811 | 5 | 10 |
| | | | | | | | | | Book Debts (I)— | | | | 820 | — | — |
| | | | | | | | | | Good | . | . | | 72 | 15 | 9 |
| | | | | | | | | | Doubtful | . | . | | 41 | 5 | — |
| | | | | | | | | | Bad | . | . | | £114 | — | 9 |
| | | | | | | | | | TOTAL ASSETS | . | . | | 2,549 | 5 | 10 |
| | | | | | | | | | Deduct for Preferential Creditors as per contra | . | . | | 240 | 12 | 6 |
| | | | | | | | | | NET ASSETS | . | . | | 2,308 | 13 | 4 |
| | | | | | | | | | Deficiency (K) | . | . | | 23,291 | 12 | 2 |
| £29,840 | 18 | — | | | | £25,600 | 5 | 6 | | | | £ | 25,600 | 5 | 6 |

EXERCISE XXI—No. 26.

TRUSTEES' FINAL STATEMENT OF ACCOUNT

| To Total Receipts from Date of Receiving Order— | £ | s. | d. | £ | s. | d. |
|---|-----|----|----|---------------|----|----|
| Cash | 10 | — | — | | | |
| Stock | 800 | — | — | | | |
| Fittings | 115 | — | — | | | |
| Property | 150 | — | — | | | |
| Sundry Debtors | 335 | — | — | | | |
| Surplus from "A's" estate | 120 | — | — | | | |
| | | | | 1,530 | — | — |
| | | | | <u>£1,530</u> | — | — |
| By Legal Expenses | | | | | | |
| " Trustees' Remuneration— 5% on £1,530 assets realized | | | | | | |
| 5% on £1,285 assets distributed | | | | | | |
| | | | | 76 | 10 | — |
| | | | | 64 | 5 | — |
| | | | | | | |
| Creditors, viz.— Preferential Creditors | | | | 160 | — | — |
| Sundry Creditors | | | | 1,125 | — | — |
| (Composition of 12/6 in £) | | | | | | |
| " A's " Estate | | | | | | |
| | | | | | | |
| | | | | 1,285 | — | — |
| | | | | 69 | 5 | — |
| | | | | <u>£1,530</u> | — | — |

∞ EXERCISE XXI—No. 27.

TRUSTEES' FINAL STATEMENT OF ACCOUNT

| To Total Receipts from Receiving Order— | Date |
|--|-----------------|
| Cash and Bank | . |
| Miscellaneous | . |
| Investments | . |
| Life Policies | . |
| Sundry Debtors | . |
| £ | s. |
| 4 | 7 11 |
| 13 | 12 8 |
| 40 | 13 2 |
| 565 | - - |
| 2,135 | 5 11 |
| 2,758 | 19 8 |
| | |
| 380 | 16 6 |
| | |
| <u>Refund of Cost of Petition</u> | <u>£5</u> |
| <u>Redemption of Policies</u> | <u>375/16/6</u> |

Less—

| | | | | |
|---|--------------------------------|---------------|----------|----------|
| By Sundry Payments | | £ | s. | d. |
| " Creditors, viz.— | Prefential Creditors | 26 | 9 | 6 |
| | Unsecured Creditors | 1,835 | 14 | 2 |
| (Composition of 2/9¼ in £ on £13,250/4/4) | | | | |
| | | | | |
| " Balance, an amount due to Messrs. Tant & And | | | | |
| | | | | |
| <u>Total</u> | <u>Balance carried forward</u> | <u>£2,378</u> | <u>3</u> | <u>2</u> |

TRUSTEES' FINAL STATEMENT OF ACCOUNT

828

EXERCISE XXI—No. 29.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|--------|--|-----|----|----|-----|----|----|
| 19.. | | | | | | | |
| Jan. 1 | Dodd | 500 | - | - | | | |
| | To Loose Plant | | | | 500 | - | - |
| | Sale of horses. | | | | | | |
| " 1 | Cash | 100 | - | - | | | |
| | Bills Receivable | 400 | - | - | | | |
| | To Dodd | | | | 500 | - | - |
| | Receipt of £100 in cash and four acceptances, each of the value of £100, for periods of 1, 2, 3, 4 mos. respectively. | | | | | | |
| " 3 | Bank | 195 | - | - | | | |
| | Discount | 5 | - | - | | | |
| | To Bills Receivable | | | | 200 | - | - |
| | Acceptances due 4th Feb. and 4th Mar. discounted. | | | | | | |
| " 31 | Dodd | 100 | - | - | | | |
| | To Bank | | | | 100 | - | - |
| | (For his request for non-presentment of bill due 4th Feb.) | | | | | | |
| Apr. 5 | Bank | 100 | - | - | | | |
| | To Bills Receivable | | | | 100 | - | - |
| | Dodd's bill honoured. | | | | | | |
| " 6 | Dodd | 100 | - | - | | | |
| | To Bills Receivable | | | | 100 | - | - |
| | For cancellation of bill due 4th May. | | | | | | |
| " 6 | Bank | 200 | - | - | | | |
| | To Dodd | | | | 200 | - | - |
| | Settlement of Dodd's Account. | | | | | | |
| May 1 | Bank | 2 | 15 | - | | | |
| | To Bradley Account | | | | 2 | 15 | - |
| | Dividend of 6/6 in the £ received. | | | | | | |

EXERCISE XXI—No. 29 (*contd.*).JOURNAL—(*contd.*).

| 19.. | | £ | s. | d. | £ | s. | d. |
|-------|--|--------|----|----|--------|----|----|
| May 1 | Bad Debts Account | 7 | 5 | — | | | |
| | To Bradley | | | | 7 | 5 | — |
| | Balance of Bradley's A/c irrecoverable. | | | | | | |
| " 2 | Bank | 5 | — | — | 5 | — | — |
| | To Bad Debts Recovered | | | | | | |
| | Sum received from James, whose account had been written off as bad. | | | | | | |
| " 3 | Earle & Co. | 100 | — | — | 100 | — | — |
| | To Sales | | | | | | |
| | Goods consigned to Earle & Co. | | | | | | |
| " 4 | Joint Account | 500 | — | — | 500 | — | — |
| | To French | | | | | | |
| | Tea purchased on Joint A/c with Brockle | | | | | | |
| " 5 | Bank | 250 | — | — | 250 | — | — |
| | To Brockle | | | | | | |
| | Receipt of Brockle's half of cost of tea purchased in venture. | | | | | | |
| " 6 | Bank | 700 | — | — | 700 | — | — |
| | To Joint Account | | | | | | |
| | Sale for cash of tea on venture. | | | | | | |
| " 7 | Joint Account | 18 | 6 | — | 18 | 6 | — |
| | To Commission, etc. | | | | | | |
| | Commission and expenses of sale of tea on venture. | | | | | | |
| " 7 | Joint Account | 90 | 17 | — | 90 | 17 | — |
| | To Brockle | | | | | | |
| | Transfer of share of gain on venture | | | | | | |
| " 7 | Brockle | 340 | 17 | — | 340 | 17 | — |
| | To Cash | | | | | | |
| | Payment of amount due to Brockle. | | | | | | |
| | | £3,715 | — | — | £3,715 | — | — |

| <i>Dr.</i> | | | | JOINT ACCOUNT | | | | <i>Cr.</i> | | | |
|------------|----------------------------------|------|----|---------------|-------|-------------------|------|------------|----|--|--|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. | | |
| May 4 | To French | 500 | — | — | May 6 | By Cash | 700 | — | — | | |
| " 7 | " Commission, etc. | 18 | 6 | — | | | | | | | |
| | (Expenses) | | | | | | | | | | |
| " 7 | " Brockle | 90 | 17 | — | | | | | | | |
| | ($\frac{1}{3}$ share of Profit) | | | | | | | | | | |
| " 7 | " Profit and Loss A/c | 90 | 17 | — | | | | | | | |
| | | £700 | — | — | | | £700 | — | — | | |

EXERCISE XXI—No. 29 (*contd.*).

| Dr. | | DODD | | | | Cr. | | | |
|--------|------------------------|------|----|----|--------|-------------------------|------|----|----|
| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
| Jan. 1 | To Loose Plant . . . | 500 | — | — | Jan. 1 | By Bills Receivable . . | 400 | — | — |
| " 31 | " Bank . . . | 100 | — | — | " 1 | " Cash . . . | 100 | — | — |
| Apr. 6 | " Bills Receivable . . | 100 | — | — | Apr. 6 | " " . . . | 200 | — | — |
| | | £700 | — | — | | | £700 | — | — |

Note.—The account of Dodd has been shown to add clearness to the solution.

EXERCISE XXI—No. 30

An Accommodation Bill is a Bill of Exchange given by one person to another for the mutual benefit of both parties; or for the benefit of either party. It is distinguished from an ordinary B/E, as no value is given for it.

JONES' JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|--|--------|----|----|--------|----|----|
| 19.. | | | | | | | |
| Jan. 1 | Jas. Smith | 1,000 | — | — | 1 000 | — | — |
| | To Bills Payable | | | | | | |
| | For bill of £1,000 for 3 mos. drawn for their mutual accommodation. | | | | | | |
| " 1 | Bank | 495 | — | — | | | |
| | Discount | 5 | — | — | | | |
| | To Jas. Smith | | | | 500 | — | — |
| | For share of proceeds of bill and discount charges. | | | | | | |
| Mar. 31 | Bills Receivable | 1,100 | — | — | | | |
| | To Jas. Smith | | | | 1,100 | — | — |
| | For B/E to provide funds to meet bill of £1,000 for 3 mos. | | | | | | |
| " 31 | Bank | 1,090 | — | — | | | |
| | Discount | 10 | — | — | | | |
| | To Bills Receivable | | | | 1,100 | — | — |
| " 31 | Jas. Smith | 44 | — | — | | | |
| | To Cash | | | | 44 | — | — |
| June 29 | Jas. Smith | 1,100 | — | — | | | |
| | To Bills Receivable | | | | 1,100 | — | — |
| | For bill dishonoured by Jas. Smith becoming bankrupt. | | | | | | |
| Dec. 31 | Cash | 272 | — | — | | | |
| | Bad Debts Account | 272 | — | — | | | |
| | To Jas. Smith | | | | 544 | — | — |
| | For composition of 10/- in £ on balance of £544, and balance written off as being irrecoverable. | | | | | | |
| | | £5,388 | — | — | £5,388 | — | — |

EXERCISE XXI—No. 33.

BANK CASH BOOK (PAYMENTS)

| Date. | Particulars. | Discount. | Cash. | Bank. | Bought Ledger. | Sales Ledger. | General Ledger. | Private Ledger. |
|-----------------------------|-------------------|-----------|-------|--------------|----------------|---------------|-----------------|-----------------|
| | | £ s. d. | | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| 19 ^d . Jan. 4 | By Wages . . . | | | £ 27 13 6 | | | £ 27 13 6 | |
| " 11 | " D. Dunlop . . | 8 14 8 | | 165 18 6 | 174 13 2 | | | |
| " 11 | " Wages . . . | | | 31 14 8 | | | 31 14 8 | |
| " 13 | " Bills Payable . | | | 270 10 6 | | | 270 10 6 | |
| " 16 | " E. Ernest . . | 4 6 9 | | 82 9 - | 86 15 9 | | | |
| " 17 | " Petty Cash . . | | | 10 - - | | | | |
| " 18 | " Drawings . . | | | 50 - - | | | | |
| " 18 | " Wages . . . | | | 29 2 10 | | | 29 2 10 | |
| " 19 | " Purchases A/c . | | | 50 10 5 | | | 50 10 5 | |
| " 24 | " J. Smith . . . | | | 150 7 6 | | | | |
| " 25 | " F. Franklin . . | | | 206 9 6 | 217 6 10 | 150 7 6 | | |
| " | | 10 17 4 | | | | | | |
| | | £ 23 18 9 | | £ 1,074 16 5 | £ 478 15 9 | £ 150 7 6 | £ 409 11 11 | £ 50 - - |

Note.—See *Advanced Accounts*, Chapter IX, for *pro forma* examples of Adjustment Accounts.

EXERCISE XXI—No. 34.

Dr.

REALIZATION ACCOUNT

Cr.

| 19.. | To Sundry Assets . . | £ | s. d. | 19.. | By Cash Balance, Loss on Realization—Brown's share = $\frac{2}{3}$ of £8,000 Robinson's share = $\frac{1}{3}$ of £8,000 | £ | s. d. | £ | s. d. |
|------|----------------------|---------|-------|------|--|-------|-------|---------|-------|
| | | 38,000 | — | | | 6,000 | — | 30,000 | — |
| | | £38,000 | — | | | 2,000 | — | 8,000 | — |
| | | | | | | | | £38,000 | — |

Dr.

CASH ACCOUNT

Cr.

| 19.. | To Realization A/c . | £ | s. d. | 19.. | By Sundry Creditors Mortgage . . Bills Payable . . Brown's Capital A/c . Robinson's Cap. A/c . | £ | s. d. |
|------|----------------------|---------|-------|------|--|---------|-------|
| | | 30,000 | — | | | 9,000 | — |
| | | | | | | 3,000 | — |
| | | | | | | 1,000 | — |
| | | | | | | 9,000 | — |
| | | | | | | 8,000 | — |
| | | £30,000 | — | | | £30,000 | — |

Note.—Brown receives £9,000 = (Capital Balance £15,000 – Share of Loss on Realization Account £6,000).
Robinson receives £8,000 = (Capital Balance £10,000 – Share of Loss on Realization Account £2,000).

EXERCISE XXI—No. 35.

JOURNAL OF FREESTONE & CO., LTD.

| 19.. | | £ | s. | d. | £ | s. | d. |
|------|---|----------|----|----|----------|----|----|
| | Depreciation Account. | 8,000 | — | — | | | |
| | To Plant Account | | | | 8,000 | — | — |
| | 10% of £80,000. | | | | | | |
| | Profit and Loss Account | 8,000 | — | — | | | |
| | To Depreciation | | | | 8,000 | — | — |
| | Balance transferred. | | | | | | |
| | Debenture Interest | 750 | — | — | | | |
| | To Debenture-holders | | | | 375 | — | — |
| | „ Income Tax | | | | 375 | — | — |
| | Half-year's Debenture Interest provided: 5% of £30,000 for 6 mos., less tax @ 10/-. | | | | | | |
| | Profit and Loss Account | 750 | — | — | | | |
| | To Debenture Interest | | | | 750 | — | — |
| | Balance transferred. | | | | | | |
| | | £ 17,500 | — | — | £ 17,500 | — | — |
| | Ordinary Share Dividend | 7,000 | — | — | | | |
| | To Ordinary Shareholders | | | | 3,500 | — | — |
| | „ Income Tax | | | | 3,500 | — | — |
| | Dividend provided @ 10%, less Income Tax @ 10/-. | | | | | | |
| | Profit and Loss Account | 11,250 | — | — | | | |
| | To Appropriation Account | | | | 11,250 | — | — |
| | Balance transferred. | | | | | | |
| | Appropriation Account | 7,000 | — | — | | | |
| | To Ordinary Share Dividend | | | | 7,000 | — | — |
| | Balance transferred. | | | | | | |
| | | £ 25,250 | — | — | £ 25,250 | — | — |

CASH BOOK
(CREDIT SIDE)

| | | Bank. | | |
|------|------------------------------------|-------|----|----|
| 19.. | | £ | s. | d. |
| | By Ordinary Shareholders | 3,500 | — | — |

EXERCISE XXI—No. 36.

BLACK, KELLY & CO., LTD.

BALANCE SHEET AS AT 31st MARCH, 19..

| CAPITAL AND LIABILITIES. | | PROPERTY AND ASSETS. | | | | | |
|---|----------|----------------------|-----------|-----------------|-----------|-----------|-----------------|
| | <i>£</i> | <i>s.</i> | <i>d.</i> | <i>£</i> | <i>s.</i> | <i>d.</i> | |
| <i>Nominal Capital</i> | 100,000 | — | — | | | | <i>£</i> |
| <i>Issued Capital—</i> | | | | | | | <i>s.</i> |
| 50,000 6% Cumulative Preference Shares fully paid | | | | | | | <i>d.</i> |
| 10,000 Ordinary Shares of <i>£</i> 5 each, <i>£</i> 2 called up | 20,000 | — | — | 50,000 | — | — | 30,000 |
| Less Unpaid Calls | 100 | — | — | | | | 15,000 |
| Mortgage Debentures | | | | 19,900 | — | — | 12,000 |
| Reserve A/c | | | | 10,000 | — | — | 15,000 |
| Sundry Creditors | | | | 500 | — | — | 1,000 |
| | | | | 4,500 | — | — | |
| | | | | <i>£</i> 84,900 | — | — | |
| | | | | | | | 1,635 |
| | | | | | | | 50 |
| | | | | | | | 10,215 |
| | | | | | | | <i>£</i> 84,900 |

EXERCISE XXI—No. 37.

THE IDEAL NEWSPAPER CO., LTD.

Dr.

REVENUE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---|-------|----|----|----------|----|----|----------|----|----|
| To Stock, 1st Jan. | | | | | | | | | |
| " Purchases of— | | | | | | | | | |
| Paper | 8,250 | — | — | | | | 22,650 | — | — |
| Ink | 475 | — | — | | | | 350 | — | — |
| " Wages | 1,000 | — | — | | | | 3,000 | — | — |
| Add Reserve for Wages | 48 | — | — | | | | | | |
| " Salaries | | | | 1,048 | | | | | |
| " Trade Charges | | | | 9,280 | | | | | |
| " Correspondence | | | | 7,860 | | | | | |
| " Discounts Allowed | | | | 4,365 | | | | | |
| " Commission | | | | 855 | | | | | |
| " Printing and Stationery | | | | 380 | | | | | |
| " Free Copies | | | | 110 | | | | | |
| " Bad Debts | | | | 695 | | | | | |
| " Repairs | | | | 75 | | | | | |
| " Bad Debts Reserve (amount provided). | | | | 155 | | | | | |
| " Discount Reserve on Debtors (amount provided) | | | | 200 | | | | | |
| " Depreciation— | | | | 350 | | | | | |
| Freehold Property (1% of £28,000) | 280 | — | — | | | | | | |
| Plant and Machinery { 7½% of £9,500 | 749 | 5 | — | | | | | | |
| Linotype Installation { (10% of £1,300) | 136 | 15 | — | | | | | | |
| Motor Vans, etc. { (15% of £845) | 133 | 10 | — | | | | | | |
| Balance, Net Profit for year | | | | 1,299 | 10 | — | | | |
| | | | | 3,239 | 5 | — | | | |
| | | | | £ 40,336 | 15 | — | | | |
| | | | | | | | £ 40,336 | 15 | — |

EXERCISE XXI—No. 38.

THE SYLHET TEA PLANTATIONS LTD.

TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 19..

Cr.

| Dr. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---|---|----|----|----------|----|----|----------|----|----|
| To Boxes Purchased | . | . | . | 672 | — | — | 37,860 | — | — |
| " Wages— | | | | | | | 3,864 | — | — |
| European | . | . | . | 4,400 | — | — | | | |
| Native | . | . | . | 9,527 | — | — | | | |
| Crop Expenses | . | . | . | 13,927 | — | — | | | |
| " Manufacturing Expenses | . | . | . | 3,200 | — | — | | | |
| " Balance, Gross Profit c/d | . | . | . | 2,480 | — | — | | | |
| | | | | 21,435 | — | — | | | |
| | | | | £ 41,714 | — | — | £ 41,714 | — | — |
| To Rent and Rates. | . | . | . | 543 | — | — | | | |
| " Machinery Repairs | . | . | . | 423 | — | — | | | |
| " General Charges. | . | . | . | 331 | — | — | | | |
| " Hospital Expenses | . | . | . | 1,565 | — | — | | | |
| " Marine Insurance | . | . | . | 248 | — | — | | | |
| " Fire Insurance | . | . | . | 120 | — | — | | | |
| " Law Charges | . | . | . | 32 | — | — | | | |
| " Directors' Fees | . | . | . | 350 | — | — | | | |
| " London Office Account (Salaries and Expenses) | . | . | . | 1,021 | — | — | | | |
| " Auditor's Fees | . | . | . | 52 | — | — | | | |
| " Freight Charges | . | . | . | 2,035 | — | — | | | |
| " Manager's Commission | . | . | . | 1,030 | — | — | | | |
| " Calcutta Agency Expenses | . | . | . | 1,745 | — | — | | | |
| " Bad Debts Reserve (5% of £8,400) | . | . | . | 420 | — | — | | | |
| " Depreciation— | | | | | | | | | |
| Machinery and Plant (10% of £3,700) | . | . | . | 370 | — | — | | | |
| " Balance, Net Profit c/d | . | . | . | 11,155 | — | — | | | |
| | | | | £ 21,440 | — | — | £ 21,440 | — | — |

Cr.

APPROPRIATION ACCOUNT

Dr.

| Dr. | £ | s. | d. | £ | s. | d. |
|----------------------------|---|----|----|----------|----|----|
| To Dividend Paid | . | . | . | 8,100 | — | — |
| " Reserve Account | . | . | . | 3,000 | — | — |
| " Balance to Balance Sheet | . | . | . | 10,555 | — | — |
| | | | | £ 21,655 | — | — |
| By Balance, 1st Jan. | . | . | . | | | |
| " Current Year's Profit | . | . | . | | | |
| | | | | £ 21,655 | — | — |

EXERCISE XXI—No. 39 (*contd.*).

THE EXCELSIOR MANUFACTURING AND TRADING CO., LTD.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

[illegible]

EXERCISE XXII—No. 1.

STATEMENT OF AFFAIRS OF EXPRESS PARCELS SERVICE, LTD., AS AT 29TH FEBRUARY, 19..

| | £ | s. | d. | £ | s. | d. | £ | s. | d. | Estimated to Produce |
|------------------------|-------|----|----|-------|----|----|-------|----|----|----------------------|
| | | | | | | | | | | |
| Unsecured Creditors | • | • | • | • | • | • | • | • | • | • |
| Secured Creditors | • | • | • | • | • | • | • | • | • | • |
| Less value of security | • | • | • | • | • | • | • | • | • | • |
| Expected to rank | • | • | • | • | • | • | • | • | • | • |
| Preferential Creditors | • | • | • | • | • | • | • | • | • | • |
| Deduct per Contra. | • | • | • | • | • | • | • | • | • | • |
| | 3,250 | — | — | 6,130 | — | — | 5,650 | — | — | 3,200 |
| | 3,000 | — | — | — | — | — | 1,200 | — | — | 500 |
| | — | — | — | — | — | — | 975 | — | — | 325 |
| | 80 | — | — | 250 | — | — | 1,460 | — | — | 810 |
| | — | — | — | — | — | — | — | — | — | 4,835 |
| | — | — | — | — | — | — | 500 | — | — | 600 |
| | — | — | — | — | — | — | 150 | — | — | 300 |
| | — | — | — | — | — | — | — | — | — | 5,735 |
| | — | — | — | — | — | — | — | — | — | 80 |
| | — | — | — | — | — | — | — | — | — | 5,655 |
| | — | — | — | — | — | — | — | — | — | 725 |
| | — | — | — | — | — | — | — | — | — | £6,380 |

Dividends on £10,000 7 per cent Preference Shares are in arrear for one year.

STATEMENT OF AFFAIRS OF UNSOUND, LTD., AT

844

EXERCISE XXII—No. 3.

PRESTON & CO., LIMITED
LIQUIDATOR'S FINAL STATEMENT OF RECEIPTS AND PAYMENTS

| RECEIPTS | | | | PAYMENTS | | | |
|----------------------|---|-------|-------|---|---|--------|-------|
| | | £. | s. d. | | | £. | s. d. |
| Cash at Bank | . | . | . | Expenses of Liquidation | . | 94 | — |
| Proceeds of sale of— | . | . | . | Preferential Creditors | . | 433 | — |
| Land and Buildings. | . | 2,128 | — | Liquidator's Remuneration— | . | | |
| Plant and Machinery | . | 1,824 | — | 3 per cent on the amount realized | . | 227 | 17 |
| Stock-in-Trade | . | 1,457 | — | 2 per cent on amount distributed to unsecured | . | 135 | 16 |
| Book Debts collected | . | 2,186 | — | creditors | . | | 3 |
| | | | | Unsecured creditors—First and final dividend of | | 363 | 13 |
| | | | | 15s. 8½d in the £ to — creditors on their unsecured | | | 3 |
| | | | | claims amounting to £8,628 | | 6,790 | 14 |
| | | | | Balance to Bank of England (Liquidations Account) | | 12 | 2 |
| | | | | | | £7,682 | — |

Should any further information be desired by creditors or contributors, I shall be happy to furnish it.

Bankruptcy Hall,
London.

G. K. BUCKNALL, F.C.A.,

1st April, 19..

Liquidator.

A. COMPANY, LTD. (IN VOLUNTARY LIQUIDATION)

LIQUIDATOR'S FINAL STATEMENT OF RECEIPTS AND PAYMENTS

Should any further information be desired by Creditors or Contributors, I shall be happy to furnish it.

21 Walbrook Street,
London, E.C.2.

5th July, 19..

H. L. PEARCE,
Incorporated Accountant.

Liquidator.

STATEMENT OF AFFAIRS OF FREDERICK AYLING AT

847

STATEMENT OF AFFAIRS OF S. BROKE AT 1ST APRIL, 1936

DEFICIENCY ACCOUNT OF S. BROKE848

EXERCISE XXII—No. 7.

BALANCE SHEET OF JAMES GIBSON, AS AT 1ST JULY, 19..

| LIABILITIES AND CAPITAL | | | | ASSETS | | | |
|----------------------------|-------|----|---|---------------------------------|--------|----|---|
| £ | s. | d. | | £ | s. | d. | |
| Sundry Creditors | 1,242 | 2 | 9 | Cash | 17 | 2 | 9 |
| Bank | 1,000 | — | — | Sundry Debtors | 650 | — | — |
| Loan on Mortgage | 1,750 | — | — | Stock-in-Trade | 725 | — | — |
| Capital | 1,000 | — | — | Fixtures and Fittings | 300 | — | — |
| | | | | Premises | 2,500 | — | — |
| | | | | Goodwill | 800 | — | — |
| | | | | | £4,992 | 2 | 9 |
| | | | | | | | |

STATEMENT OF AFFAIRS OF JAMES GIBSON, AS AT 1ST JULY, 19..

| LIABILITIES | | | | ASSETS | | | |
|---|-------|----|---|--------------------------------|--------|----|---|
| £ | s. | d. | | £ | s. | d. | |
| Unsecured Creditors | 1,242 | 2 | 9 | Cash in hand | 725 | — | — |
| Creditors fully secured | 1,750 | — | — | Stock-in-Trade | 300 | — | — |
| Estimated value of security | 2,400 | — | — | Estimated to produce | — | — | — |
| Surplus carried to Parly-secured Creditors | 650 | — | — | Estimated to produce | 650 | — | — |
| Creditors partly secured | 1,000 | — | — | Household Furniture | — | — | — |
| Less estimated value of security | 650 | — | — | Book Debts | — | — | — |
| Expected to rank | 30 | — | — | Good | 200 | — | — |
| Contingent liability under guarantee expected to rank | — | — | — | Doubtful; £150 | 100 | — | — |
| | | | | Estimated to produce | — | — | — |
| | | | | Bad; £300 | 962 | 2 | 9 |
| | | | | Deficiency | 660 | — | — |
| | | | | | £1,622 | 2 | 9 |
| | | | | | | | |

EXERCISE XXII—No. 8.

STATEMENT OF AFFAIRS OF WILLIAM GIMBLETT AT 15TH JANUARY, 19..

| Gross Liabilities | | LIABILITIES | | Assets | | | | | |
|-------------------|-------|---|-------|---|-------|---|-------|--------|-------|
| £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 3,720 | — | Unsecured Creditors | — | Furniture | — | — | — | 150 | — |
| 3,860 | — | Creditors fully secured: Bank | — | Loan to friend | — | — | — | 200 | — |
| | — | Estimated value of security | — | Book Debts— | — | — | — | | — |
| | — | Surplus to contra | — | Good | — | — | — | 1,060 | — |
| | — | Insurance Company | — | Doubtful | — | — | — | | — |
| 350 | — | Estimated value of security | — | Estimated to produce | — | — | — | | — |
| | — | Surplus to contra | — | Bad | — | — | — | 60 | — |
| | — | Creditors partly secured | — | Surplus in hands of Fully-secured Creditors <i>per contra</i> | — | — | — | 290 | — |
| 300 | — | Estimated value of security | — | | — | — | — | | — |
| | — | Expected to rank | — | Deduct Preferential Creditors <i>per contra</i> | — | — | — | 1,760 | — |
| 90 | — | Preferential Creditors deducted <i>contra</i> | — | Deficiency | — | — | — | 1,670 | — |
| | — | | — | | — | — | — | 2,100 | — |
| £3,320 | — | Contingent liability on Bills discounted | — | Dividend 8s. 2d. in the £. | — | — | — | £3,770 | — |
| | — | | — | | — | — | — | | — |
| | — | | — | | — | — | — | | — |

EXERCISE XXII—No. 9.

PURCHASE OF 5 PER CENT DEBENTURES ACCOUNT

| Dr. | Cr. | | | |
|---|--------|----|----|---|
| | £ | s. | d. | |
| 1937 June 1 | | | | |
| To Cash— £3,000 at 98 | 2,940 | — | — | By Transfer to Debentures Account— Debentures cancelled |
| " Transfer to Capital Reserve Account of profit on purchase of £3,000 Debentures | 60 | — | — | " " Transfer to Capital Reserve Account of loss on purchase of £2,000 Debentures |
| Sept. 1 | 2,010 | — | — | |
| £2,000 at 100½. | £5,010 | — | — | |
| | | | | £5,010 |

CASH BOOK

| Dr. | Cr. | | | |
|----------------|-----|----|----|--|
| | £ | s. | d. | |
| 1937 June 1 | | | | |
| | | | | By Debentures— £3,000 at 98 |
| Sept. 1 | | | | £2,000 at 100½ |
| | | | | 2,940 |
| | | | | 2,010 |

5 PER CENT DEBENTURES ACCOUNT

| Dr. | Cr. | | | |
|---|-------|----|----|-----------------------------------|
| | £ | s. | d. | |
| 1937 June 1 | | | | |
| To Purchase of 5 per cent Debentures Account. | 3,000 | — | — | By Balance brought down |
| Sept. 1 | 2,000 | — | — | |
| " Purchase of 5 per cent Debentures Account. | | | | 10,000 |

CAPITAL RESERVE ACCOUNT

| Dr. | Cr. | | | |
|---|-----|----|----|--|
| | £ | s. | d. | |
| 1937 Sept. 1 | | | | |
| To Purchase of 5 per cent Debentures Account. | 10 | — | — | By Purchase of 5 per cent Debentures Account |
| | | | | 60 |

PROFIT AND LOSS ACCOUNT OF BROWN, JONES, & SMITH, FOR THE YEAR ENDED
30TH SEPTEMBER 1937

852

BALANCE SHEET OF THE ASTA CO., LTD. AND REDUCED, AS AT 30TH JUNE, 19..

854

EXERCISE XXII—No. 12.

JOURNAL

| | £ | s. | d. | £ | s. | d. |
|--|----------|----|----|----------|----|----|
| Profit and Loss Account | 15,000 | — | — | | | |
| To General Reserve Account | | | | 15,000 | — | — |
| Transfer of amount to reserve as per resolution dated. | | | | | | |
| Preference Share Dividend Account | 7,500 | — | — | | | |
| To Sundry Preference Shareholders | | | | 7,500 | — | — |
| Final dividend of 3 per cent on 250,000 Preference Shares of £1 each declared by resolution dated. | | | | | | |
| Profit and Loss Account | 7,500 | — | — | | | |
| To Preference Share Dividend Account | | | | 7,500 | — | — |
| Transfer. | | | | | | |
| Sundry Preference Shareholders | 1,687 | 10 | — | | | |
| To Income-tax Account | | | | 1,687 | 10 | — |
| Transfer of tax on £7,500 dividend at 4s. 6d. in the £ | | | | | | |
| Profit and Loss Account | 10,000 | — | — | | | |
| To Employees Pension Fund | | | | 10,000 | — | — |
| Transfer of amount placed to fund as per resolution dated. | | | | | | |
| Ordinary Share Account | 80,000 | — | — | | | |
| To Sundry Ordinary Shareholders | | | | 80,000 | — | — |
| Dividend of 20 per cent free of tax on 400,000 Ordinary Shares of £1 each declared by resolution dated. | | | | | | |
| Profit and Loss Account | 80,000 | — | — | | | |
| To Ordinary Share Dividend Account | | | | 80,000 | — | — |
| Transfer. | | | | | | |
| Bonus Dividend Account | 16,000 | — | — | | | |
| To Sundry Ordinary Shareholders | | | | 16,000 | — | — |
| Bonus of £1 Share, taken at a price of £2, for every 50 shares held, on 400,000 Ordinary Shares, declared by resolution dated. | | | | | | |
| Profit and Loss Account | 16,000 | — | — | | | |
| To Bonus Dividend Account | | | | 16,000 | — | — |
| Transfer. | | | | | | |
| Sundry Ordinary Shareholders | 16,000 | — | — | | | |
| To Ordinary Share Capital Account | | | | 8,000 | — | — |
| „ Ordinary Share Premium Account | | | | 8,000 | — | — |
| Issue of 80,000 Bonus Shares of £1 each, at a premium of £1 a share. | | | | | | |
| | £249,687 | 10 | — | £249,687 | 10 | — |

EXERCISE XXII—No. 13.

JOURNAL

| 1936 Mar. 10 | Cash To Ordinary Share Application Account Being receipt of 5s. a share on 10,000 shares due on application. | £ 2,500 | s. d. — — | £ 2,500 | s. d. — — |
|-----------------|--|-----------------|--------------|----------------|--------------|
| ,, 31 | Ordinary Share Application Ac- count To Ordinary Share Capital Ac- count Being 5s. a share due on applica- tion on 10,000 shares. | 2,500 | — — | 2,500 | — — |
| | Ordinary Share Allotment Account To Ordinary Share Capital Ac- count Being 15s. a share due on allot- ment on 10,000 shares. | 7,500 | — — | 7,500 | — — |
| | Cash To Ordinary Share Allotment Account Being receipt of 15s. a share on 10,000 shares due on allotment. | 7,500 | — — | 7,500 | — — |
| | Preference Share Capital Account Profit and Loss Account (Premium) To Sundry Members Being transfer of shares now re- deemable and premium of 5 per cent thereon as per resolution. | 20,000 1,000 | — — — — | 21,000 | — — |
| | Sundry Members To Cash Being redemption of above shares. | 21,000 | — — | 21,000 | — — |
| | Profit and Loss Account To Capital Redemption Re- serve Fund Being transfer of a sum equal to the amount applied out of profits in redeeming shares. | 10,000 | — — | 10,000 | — — |
| | | <u>£72,000</u> | <u>— —</u> | <u>£72,000</u> | <u>— —</u> |

EXERCISE XXII—No. 14.

THE X RAILWAY CO.

RECEIPTS AND EXPENDITURE ON CAPITAL ACCOUNT

| TO EXPENDITURE | Amount Expended to 31st December, 19— | | | BY RECEIPTS | Amount Received to 31st December 19— | | |
|--|--|----|----|---------------------------------|---|----|----|
| | £ | s. | d. | | £ | s. | d. |
| Lines open for Traffic | 1,010,010 | — | — | 3 per cent Preference Stock . . | 350,000 | — | — |
| Lines in course of Construction . . | 25,000 | — | — | Ordinary Stock | 600,000 | — | — |
| Working Stock (Engines, Carriages, etc.) | 195,000 | — | — | 4 per cent Debenture Stock . . | 450,000 | — | — |
| | | | | Premiums on Stocks | 35,000 | — | — |
| Total Capital expended on Railway | 1,230,010 | — | — | | | | |
| Contributions to Joint Lines | 100,000 | — | — | | | | |
| Purchase of Grand Canal | 30,000 | — | — | | | | |
| Total Expenditure | 1,360,010 | — | — | | | | |
| Balance to General Balance Sheet | 74,990 | — | — | | | | |
| | <u>£1,435,000</u> | — | — | Total Receipts | <u>£1,435,000</u> | — | — |

GENERAL BALANCE SHEET, 31ST DECEMBER, 19..

| | £ | s. | d. | | £ | s. | d. |
|---------------------------------------|-----------------|----|----|----------------------------------|-----------------|----|----|
| Capital Account, Balance at | | | | Cash at Bank | 54,000 | — | — |
| Credit thereof | 74,990 | — | — | General Stores, Stocks on . . | | | |
| Debts due to other Companies | 3,100 | — | — | Hand | 35,800 | — | — |
| Sundry Tradesmen, etc. | 34,200 | — | — | Traffic Accounts due to Com- . . | | | |
| Fire Insurance Fund | 9,000 | — | — | pany | 35,600 | — | — |
| Superannuation Fund | 20,000 | — | — | Due from other Companies . . | 2,700 | — | — |
| Balance to Credit of Net | | | | Sundry Outstanding Ac- . . | | | |
| Revenue Account | 10,510 | — | — | counts | 3,700 | — | — |
| | | | | Superannuation Fund Invest- . . | | | |
| | | | | ments | 20,000 | — | — |
| | <u>£151,800</u> | — | — | | <u>£151,800</u> | — | — |

EXERCISE XXIII—Nos. 1-8.

- (1) £25.
- (2) £7 10s. 4d. per cent per annum.
- (3) £3 13s. 5d.
- (4) £3 8s. 5d. or 3·419 per cent.
- (5) £11 9s. 6d.
- (6) £6 6s. 9d.
- (7) £14 7s. 6d.
- (8) £3 16s. 6d.

EXERCISE XXIII—No. 9.

See *Advanced Accounts*, Chapter XXIII, for Examples.

EXERCISE XXIII—No. 10.

Dr. INVESTMENT ACCOUNT Cr.
 (Annual investment of £250 at Compound Interest [yearly] $2\frac{1}{2}\%$)

| Year | | £ | s. | d. | | Year | | £ | s. | d. |
|------|----------------------|-------|----|----|--|------|----------------------|-------|----|----|
| 1 | To Cash | 250 | — | — | | 6 | By Balance c/d . . . | 1,636 | 17 | 1 |
| | „ Interest | 6 | 5 | — | | | | | | |
| | | 256 | 5 | — | | | | | | |
| 2 | To Cash | 250 | — | — | | | | | | |
| | „ Interest | 12 | 13 | 1 | | | | | | |
| | | 518 | 18 | 1 | | | | | | |
| 3 | To Cash | 250 | — | — | | | | | | |
| | „ Interest | 19 | 4 | 5 | | | | | | |
| | | 788 | 2 | 6 | | | | | | |
| 4 | To Cash | 250 | — | — | | | | | | |
| | „ Interest | 25 | 19 | 1 | | | | | | |
| | | 1,064 | 1 | 7 | | | | | | |
| 5 | To Cash | 250 | — | — | | | | | | |
| | „ Interest | 32 | 17 | — | | | | | | |
| | | 1,346 | 18 | 7 | | | | | | |
| 6 | To Cash | 250 | — | — | | | | | | |
| | „ Interest | 39 | 18 | 6 | | | | | | |
| | | 1,636 | 17 | 1 | | | | 1,636 | 17 | 1 |

EXERCISE XXIII—No. 11.

3% NEW ZEALAND (1945) STOCK

Dr. (INTEREST PAYABLE 1ST APRIL AND 1ST OCTOBER) Cr.

| Date | Particulars | Nominal | Interest | Principal | Date | Particulars | Nominal | Interest | Principal |
|----------------|---|------------|------------|---------------|----------------|--|---------|-----------|-------------|
| 19.. June 1 | To Cash, i.e. (£5,000 @ 85½ + Broker- age @ 2/6% + Stamps 45/-— Interest £18/15/-) | £ 5,000 | £ 18 15 | £ 4,264 15 | 19.. Oct. 1 | By Cash, i.e. ½ year's Interest on £5,000 @ 3% Less Income Tax @ 5/- in £. | £ 75 | £ 56 5 | £ |
| Apr. 3 | Profit on Sale of Invest- ments Account | | | | | | | | |
| " 3 | " Interest Account | | 206 17 5 | 141 4 7 | 19.. Apr. 1 | " Cash (as above) | | 56 5 | |
| | | | | | 19.. Oct. 1 | " Cash (as above) | | 56 5 | |
| | | | | | Apr. 1 | " Cash (as above) | 4,000 | 56 5 | 3,553 3 1 |
| | | | | | " 3 | " Cash, i.e. Sale of £4,000 @ 89 less (Expenses £6/7/- + Interest 9/11) | | | |
| | | | | | " 3 | " Cash, i.e. (2 days' Int. less Tax) | | | |
| | | | | | " 3 | " Balance c/d | 1,000 | 2 6 | 852 16 6 |
| 19.. Apr. 3 | To Balance b/d | £5,000 | £225 12 5 | £4,405 19 7 | | | £5,000 | £225 12 5 | £4,405 19 7 |
| | | 1,000 | | 852 16 6 | | | | | |

Note.—The NOMINAL column on credit side has been used for details *re* dividends. In practice, this would not be done. Exercises 15 and 16 have been similarly treated for purposes of economy.

EXERCISE XXIII—No. 12.

DEBENTURE STOCK ACCOUNT

(DIVIDENDS PAYABLE 1ST APRIL AND 1ST SEPTEMBER)

Cr.

Dr.

| | | Nominal | Dividends | Principal | | Nominal | Dividends | Principal |
|-----------------|--|---------|-----------|-----------|------------------------|---|-----------------|-----------|
| | | £ | s. | d. | | £ | s. | d. |
| 19.. Aug. 3 | To Cash £1,150 5% Stock @ 85½ + Stamps, etc., £10/9/- - Interest, i.e. $\frac{42\frac{1}{2}}{360}$ of £437/6 | 1,150 | — | — | 19.. Sept. 1 | By Cash— 6 mos. @ 5% on £1,150 = Less Income Tax @ 5/- | 28 15 7 3 9 | — |
| 19.. Apr. 30 | To Profit on Sales " Transfer to Dividends A/c. | | | | Apr. 1 " 29 " 29 | By Cash (as above) " Sale of £1,150 5% Stock @ 88 - (Expenses £11/1/- + Interest £3/8/6) By Interest, i.e. $\frac{38\frac{1}{2}}{360}$ of £437/6 | 1,150 — — | — |
| | | £1,150 | — | — | | | 3 8 5 | — |
| | | £1,150 | — | — | | | £46 10 11 | — |
| | | | | | | | £997 10 7 | — |

Note.—One year's dividend @ 5% on £1,150 = £57/10/-; deduct 5/- in £ for tax = £14/7/6.

∴ Actual Cash value of year's dividend = £43/2/6.

ARCADIAN GOVERNMENT 5% BONDS

(INTEREST PAYABLE 1ST JANUARY AND 1ST JULY)

Cy.

861

BLANK PREFERENCE STOCK

Dr. (DIVIDENDS PAYABLE 31ST MARCH, 30TH JUNE, 30TH SEPTEMBER, 31ST DECEMBER) *Cr.*

[illegible]

(NOTE. In this and some other examples in this Exercise, the rate of income tax has not been changed from that in the earlier editions. It is illustrative of procedure only, and later higher rates should be worked by the student.)

EXERCISE XXIII—No. 16 (*contd.*).

PARTICULARS RE SALES

[illegible]

EXERCISE XXIII—No. 17.

THE BROKER'S LEDGER
SNOWFLAKE PHILIP

Dr.

Gr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|---------|--|---|--------|----|---------|--|---|--------|----|
| July 16 | To £15,000 Mexican Ordinary @ 46 $\frac{1}{2}$ | | 7,012 | 10 | July 24 | By £14,000 South-Eastern @ 34 | | 4,760 | |
| " 21 | " £14,000 South-Eastern @ 32 $\frac{3}{4}$ | | 4,497 | 10 | " 30 | " £15,000 Mexican Ordinary @ 47 c/d | | 7,050 | |
| " 23 | " £16,000 North-Western @ 69 $\frac{1}{4}$ | | 11,110 | | " 30 | " £16,000 North-Western @ 69 $\frac{1}{4}$ c/d | | 11,150 | |
| " 23 | " Commission | | 56 | 5 | | | | | |
| " 30 | " Cash ($\frac{1}{4}$ % of Nominal value of above) | | 283 | 15 | | | | | |
| | | £ | 22,960 | | | | £ | 22,960 | |
| July 30 | To £15,000 Mexican Ordinary @ 47 b/d | | 7,050 | | | | | | |
| " 30 | " £16,000 North-Western @ 69 $\frac{1}{4}$ b/d | | 11,150 | | | | | | |
| " 30 | " Contango | | 38 | 15 | | | | | |

EXERCISE XXIII—No. 18.

See *Advanced Accounts*, pages 1044 (under "Tabular System of Book-keeping") and 1046-7 (specimen of Visitors' Ledger).

EXERCISE XXIII—No. 19.

VISITORS' LEDGER

TUESDAY, 17TH JANUARY, 19..

| DEBITS. | Room 1: <i>J. Hughes.</i> | | Room 2: | | Room 3: <i>J. E. Elliott.</i> | | Room 4: | | Room 5: <i>F. J. Griffiths.</i> | | DEBITS. | Daily Totals. | | Brought Forward. | Carried Forward. | | |
|-----------------------------|------------------------------|----|---------|--|----------------------------------|----|---------|---|------------------------------------|----|------------------------|---------------|----|------------------|------------------|----|----|
| | £ | s. | d. | | £ | s. | d. | | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| Balances b/f | | | | | | | | | | | Balances b/d | | | | | | |
| Apartment | | 12 | 6 | | | | 6 | | | 5 | — | 6 | 3 | — | | 12 | 6 |
| Breakfasts | | 7 | 6 | | | | | | | 2 | 6 | | 12 | 6 | | 7 | 6 |
| Lunch | | 3 | 6 | | | 2 | 6 | | | | | | 7 | 6 | | 3 | 6 |
| Dinners | | 5 | — | | | | | | | | | | 3 | 6 | | 5 | — |
| Tea and Coffee | | | | | | | | | | | 6 | | 5 | — | | 1 | 6 |
| Suppers | | 8 | 6 | | | | | | | 1 | 6 | | 7 | — | | 2 | 6 |
| Wines | | | | | | | | | | 2 | — | | 2 | — | | 8 | 6 |
| Minerals | | | | | | | | | | 1 | — | | 6 | — | | 1 | 6 |
| Spirits, Liqueurs | | | 9 | | | | | | | | 9 | | 1 | — | | 6 | — |
| Ale, Stout, etc. | | | | | | | | | | | | | 6 | — | | 1 | 6 |
| Cigars | | 1 | — | | | | | | | | | | 1 | — | | — | — |
| Postages | | 3 | 4 | | | | | | | | | | 6 | — | | 6 | — |
| Laundry | | | | | | | | | | | | | 3 | 4 | | 3 | 4 |
| Carriage, etc. | | | | | | | 6 | | | 1 | — | | 6 | — | | 6 | — |
| Bath | | | | | | | | | | 1 | — | | 1 | — | | 1 | — |
| Fires | | | | | | | | | | 1 | — | | 1 | — | | — | — |
| TOTALS | £3 | 5 | 1 | | | | 6 | | 14 | 9 | | £6 | 13 | 4 | £2 | 10 | 4 |
| CREDITS. | | | | | | | | | | | | | | | | | |
| Cash | | | | | | | | | | | | | | | | | |
| Allowances | | | | | | | | | | | | | | | | | |
| Balances c/f | 3 | 5 | 1 | | | 2 | 13 | 6 | 14 | 9 | | | 2 | 13 | 6 | 2 | 13 |
| TOTALS | £3 | 5 | 1 | | | £2 | 13 | 6 | | 9 | | £2 | 13 | 4 | £6 | 13 | 4 |

Note.—The discrepancy between the Debits and Credits of the "Carried forward" column is accounted for by the various items of which the Balances b/f were composed not being given.

EXERCISE XXIII—No. 20.

See *Advanced Accounts*, page 1048, for specimen.

EXERCISE XXIII—No. 21.

Specimen of Rates Ledger for a Water Co. is appended—

District.....*L*..... Period.....*Quarter ending 25th March, 19*.....
 Name of Road or Street.....*Martin Street*..... Date for Payment.....*25th April, 19*.....
 Name of District Collector.....*J. Phillips*.....

| No. of House. | Name of Resident. | Rental Assessment. | SPECIAL SUPPLIES FOR: | | | Amount of Tax. | Date of Payment. | Amount Paid. | | Arrears. | Bad Debts. | | Remarks. |
|---------------|-------------------|--------------------|-----------------------|-------------|---------|----------------|------------------|--------------|-------|----------|------------|-------|----------------------|
| | | | Per-centage Charged. | Bath-rooms. | w.c.'s. | Horses. | | £. | s. d. | | £. | s. d. | |
| 3 | Johnson, L. M. | £ 100 | 8% | 2 | 2 | — | Apr. 12 | £ 7 | 10 | — | £ 3 | — | Removed—cannot trace |
| 5 | Phipps, Abel | £ 100 | 9% | 2 | 2 | — | " 15 | £ 5 | — | — | — | — | |

TABULAR DAY (OR INVOICE) BOOK FOR HOTEL

867

EXERCISE XXIII—No. 23.

JOURNAL OF Z

| 1937 | | | £ | s. | d. | £ | s. | d. |
|---------|-----|--|--------|----|----|--------|----|----|
| Dec. 31 | (a) | Preference Share Dividend A/c Dr. | 1,275 | — | — | | | |
| | | To Preference Shareholders . | | | | 956 | 5 | — |
| | | „ Income Tax @ 5s. ¹ . | | | | 318 | 15 | — |
| „ 31 | | Profit and Loss Appropriation Ac- count . Dr. | 1,275 | — | — | | | |
| | | To Preference Share Dividend . | | | | 1,275 | — | — |
| „ 31 | (b) | Ordinary Share Dividend A/c Dr. | 5,000 | — | — | | | |
| | | Bonus Account . Dr. | 1,000 | — | — | | | |
| | | To Ordinary Shareholders . | | | | 6,000 | — | — |
| „ 31 | | Profit and Loss Appropriation Ac- count . Dr. | 6,000 | — | — | | | |
| | | To Ordinary Share Dividend . | | | | 5,000 | — | — |
| | | „ Bonus Account . | | | | 1,000 | — | — |
| „ 31 | (c) | Profit and Loss Appropriation Ac- count . Dr. | 5,000 | — | — | | | |
| | | To General Reserve Account . | | | | 5,000 | — | — |
| „ 31 | (d) | General Reserve Account . Dr. | 20,000 | — | — | | | |
| | | To Bonus Account . | | | | 20,000 | — | — |
| | | Bonus Account . Dr. | 20,000 | — | — | | | |
| | | To Ordinary Share Capital A/c . | | | | 20,000 | — | — |

¹ The matter of Income Tax, though not in the question, has been raised as a matter of course at an assumed rate only.

EXERCISE XXIII—No. 24.

(a) The three ways by means of which Debentures may be redeemed are—

(1) Out of Profits; (2) out of Capital; and (3) by means of a Sinking Fund. (See *Advanced Accounts*, page 686 *et seq.*)

(b) The circumstances under which Bonus Shares would be issued are two-fold, namely—

(1) When a company has accumulated large Reserves out of profits; and (2) when successful trading causes the shares of such companies to be "above par," or at a premium (see *Advanced Accounts*, page 714 for example of issue of Bonus Shares).

EXERCISE XXIII—No. 25.

LEDGER OF THOMAS BURNS

RATES AND TAXES ACCOUNT

Dr.

Cr.

| | 1938 | | s. | d. | 1939 | s. | d. | | s. | d. |
|----------|--------|--|----|------------|-----------|----------|--------|--------------------------------------|------------|-----------|
| | | | | | | | | | | |
| To Cash: | June 5 | Rates to 30/9/38 | . | 17 | 10 | — | May 30 | By Rates prepaid | 17 | 9 |
| " " | 6 | Water to 30/9/38 | . | 17 | 17 | — | " " | " Water " | 17 | 17 |
| Dec. 4 | | Water to 31/3/39 ($\frac{1}{2}$ year) | . | 1 | 6 | — | " " | " Balance, transferred to Profit and | 54 | 12 |
| " 8 | | Rates to 31/3/39 ($\frac{1}{2}$ ") | . | 26 | — | — | " " | Loss A/c | — | — |
| " 1939 | | | | | | | | | | |
| May 20 | | Water to 30/9/39 ($\frac{1}{2}$ ") | . | 1 | 6 | — | | | | |
| " " | | Rates to 30/9/39 ($\frac{1}{2}$ ") | . | 26 | — | — | | | | |
| | | | | <u>£72</u> | <u>19</u> | <u>—</u> | | | <u>£72</u> | <u>19</u> |
| 1939 | | | | | | | | | | |
| May 31 | | To Balance: Rates prepaid | . | 17 | 9 | 6 | | | | |
| " " | | Water " | . | 17 | 17 | 6 | | | | |

NOTE. The Exercise shows the proportional amounts paid as £17 10s. for Rates and 17s. for Water. These amounts are only approximate.

INSURANCES ACCOUNT

870

REALIZATION ACCOUNT

[illegible]

DEFICIENCY ACCOUNT

| Dr. | | DEFICIENCY ACCOUNT | | | | Cr. | | | |
|------|---------------------|--------------------|----|----|------|------------------------|---------------|----|----|
| 19.. | To Realization A/c. | £ | s. | d. | 19.. | By Cash— | £ | s. | d. |
| | | 1,700 | — | — | | A. | 566 | 13 | 4 |
| | | | | | | B. | 566 | 13 | 4 |
| | | | | | | C's Cap. Overdrawn A/c | 1,133 | 6 | 8 |
| | | | | | | | 566 | 13 | 4 |
| | | | | | | | <u>£1,700</u> | — | — |
| | | | | | | | <u>£1,700</u> | — | — |

EXERCISE XXIII—No. 26 (contd.).

| B's CAPITAL ACCOUNT | | | | Cr. | | | |
|---------------------|---|---------------|----------|------|------------------|---------------|----------|
| Dr. | | | | | | | |
| 19.. | To Share of C's Over- drawn A/c, $\frac{3}{8}$. . . | £ | s. d. | 19.. | By Balance . . . | £ | s. d. |
| | „ Cash, . . . | 306 | 5 | | | 1,500 | — |
| | | 1,193 | 15 | | | | |
| | | <u>£1,500</u> | <u>—</u> | | | <u>£1,500</u> | <u>—</u> |

| C's CAPITAL OVERDRAWN ACCOUNT | | | | Cr. | | | |
|-------------------------------|-----------------------------|---------------|-------------|------|------------------------|---------------|-------------|
| Dr. | | | | | | | |
| 19.. | To Balance . . . | £ | s. d. | 19.. | By Cash . . . | £ | s. d. |
| | „ Share of Deficiency . . . | 500 | — | | „ Balance— | 510 | 8 4 |
| | | 566 | 13 4 | | A, $\frac{3}{8}$. . . | 306 | 5 — |
| | | | | | B, $\frac{3}{8}$. . . | | |
| | | <u>£1,066</u> | <u>13 4</u> | | | | |
| | | | | | | 816 | 13 4 |
| | | | | | | <u>£1,066</u> | <u>13 4</u> |

FINAL STATEMENT

| Amount due to Partners in respect of Capital— | | | | |
|---|---|-------|--------|-------|
| A, $\frac{3}{8}$ of £3,183 $\frac{1}{4}$. . . | £ | s. d. | £ | s. d. |
| Less Contribution, i.e. Share of Deficiency . . . | | | | |
| B, $\frac{3}{8}$ of £3,183 $\frac{1}{4}$. . . | | | 1,422 | 18 4 |
| Less Contribution, i.e. Share of Deficiency . . . | | | | |
| | | | 627 | 1 8 |
| | | | <hr/> | <hr/> |
| | | | £2,050 | — |

EXERCISE XXIII—No. 27.

JOURNAL
OPENING ENTRIES

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|--|--------|----|----|--------|----|----|
| Jan. 1 | Cash in hand | 50 | — | — | | | |
| | „ at Bank | 500 | — | — | | | |
| | Port Wine (5 pipes @ £60 a pipe) | 300 | — | — | | | |
| | Sherry (5 butts @ £50 a butt) | 250 | — | — | | | |
| | H. Johnson | 50 | — | — | | | |
| | Bills Receivable | 250 | — | — | | | |
| | Office Furniture | 100 | — | — | | | |
| | To A. Robinson | | | | 90 | — | — |
| | „ W. Walters | | | | 60 | — | — |
| | „ Bills Payable | | | | 50 | — | — |
| | (A. Robinson due 6th Jan.) | | | | | | |
| | „ W. Brown (vendor) | | | | 1,300 | — | — |
| | | £1,500 | — | — | £1,500 | — | — |

JOURNAL ENTRIES

| 19.. | | £ | s. | d. | £ | s. | d. |
|--------|--|--------|----|----|--------|----|----|
| Jan. 1 | W. Brown (vendor) | 800 | — | — | | | |
| | To Share Capital Account | | | | 800 | — | — |
| | For issue to vendor of 800 shares of £1 each as fully paid, in part pay- ment of purchase price of business. | | | | | | |
| „ 1 | Sundry Shareholders | 1,700 | — | — | | | |
| | To Share Capital Account | | | | 1,700 | — | — |
| | For issue of balance of shares, i.e. 1,700 shares of £1 each. | | | | | | |
| | | £2,500 | — | — | £2,500 | — | — |

CASH BOOK

(DEBIT SIDE)

| | | Cash. | | | Bank. | | |
|--------|---------------------------------|-------|----|----|--------|----|----|
| 19.. | | £ | s. | d. | £ | s. | d. |
| Jan. 1 | To Balance | 50 | — | — | 500 | — | — |
| „ 1 | „ Sundry Shareholders | | | | 1,700 | — | — |
| | | £50 | — | — | £2,200 | — | — |

(CREDIT SIDE)

| | | Cash. | | | Bank. | | |
|--------|--------------------------------|-------|----|----|--------|----|----|
| 19.. | | £ | s. | d. | £ | s. | d. |
| Jan. 1 | By W. Brown (vendor) | | | | 500 | — | — |
| „ 1 | „ Balance c/d | 50 | — | — | 1,700 | — | — |
| | | £50 | — | — | £2,200 | — | — |

EXERCISE XXIII—No. 28.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|--|----------|----|----|----------|----|----|
| 19.. | | | | | | | |
| Jan. .. | Application Account | 20,000 | — | — | | | |
| | Allotment Account | 40,000 | — | — | | | |
| | To Share Capital Account | | | | 60,000 | — | — |
| | For issue of 20,000 shares upon which £1 per share on application and £2 per share on allotment has been made. | | | | | | |
| Apr. .. | First Call Account | 60,000 | — | — | | | |
| | To Share Capital Account | | | | 60,000 | — | — |
| | For £3 per share on 20,000 shares. | | | | | | |
| June .. | Second Call Account | 60,000 | — | — | | | |
| | To Share Capital Account | | | | 60,000 | — | — |
| | For £3 per share on 20,000 shares. | | | | | | |
| " .. | Business Purchase Account | 180,000 | — | — | 180,000 | — | — |
| | To Messrs. Wilson & Co. (vendors) | 125,000 | — | — | | | |
| | For purchase of " Gladsdale " Iron Works from vendors as per agreement. | | | | 125,000 | — | — |
| " .. | Messrs. Wilson & Co. (vendors) | 25,000 | — | — | | | |
| | To Share Capital Account | | | | 25,000 | — | — |
| | For issue to vendors of 2,500 shares of £10 each, as fully paid, being part payment of purchase price of business. | | | | | | |
| | | £330,000 | — | — | £330,000 | — | — |

TRIAL BALANCE

| | £ | s. | d. | £ | s. | d. |
|------------------------------------|----------|----|----|----------|----|----|
| Business Purchase Account. | 125,000 | — | — | | | |
| <i>Calls in Arrears—</i> | | | | | | |
| 1st Call Account | £5,000 | | | | | |
| 2nd Call Account | £12,500 | | | | | |
| | 17,500 | — | — | | | |
| Cash at Bank | 62,500 | — | — | | | |
| Share Capital | | | | 205,000 | — | — |
| | £205,000 | — | — | £205,000 | — | — |

EXERCISE XXIII—No. 28 (*contd.*).

CASH BOOK

(DEBIT SIDE)

| | | | | Bank. | |
|---------|----------------------------------|---|-------|-----------------|-------|
| | | £ | s. d. | £ | s. d. |
| 19.. | | | | | |
| Jan. .. | To Application and Allotment A/c | | | 60,000 | — |
| Apr. .. | „ First Call Account | | | 55,000 | — |
| June .. | „ Second Call Account | | | 47,500 | — |
| | | | | <u>£162,500</u> | — |

(CREDIT SIDE)

| | | | | Bank. | |
|---------|------------------------------------|---|-------|-----------------|-------|
| | | £ | s. d. | £ | s. d. |
| 19.. | | | | | |
| June .. | By Messrs. Wilson & Co. (vendors). | | | 100,000 | — |
| „ .. | „ Balance c/d | | | 62,500 | — |
| | | | | <u>£162,500</u> | — |

Dr. APPLICATION AND ALLOTMENT ACCOUNT (SHARES)

Cr.

| | £ | s. d. | | £ | s. d. |
|---------|----------------------------|--------|---------|-------------------|--------|
| 19.. | | | 19.. | | |
| Jan. .. | To Share Capital | 60,000 | Jan. .. | By Cash | 60,000 |

Dr. FIRST CALL ACCOUNT (SHARES)

Cr.

| | £ | s. d. | | £ | s. d. |
|---------|----------------------------|--------|---------|-----------------------|--------|
| 19.. | | | 19.. | | |
| Apr. .. | To Share Capital | 60,000 | Apr. .. | By Cash | 55,000 |
| | | | „ .. | „ Balance c/d | 5,000 |
| | <u>£60,000</u> | — | | <u>£60,000</u> | — |

Dr. SECOND CALL ACCOUNT (SHARES)

Cr.

| | £ | s. d. | | £ | s. d. |
|---------|----------------------------|--------|---------|-----------------------|--------|
| 19.. | | | 19.. | | |
| June .. | To Share Capital | 60,000 | June .. | By Cash | 47,500 |
| | | | „ .. | „ Balance c/d | 12,500 |
| | <u>£60,000</u> | — | | <u>£60,000</u> | — |
| | To Balance b/d | 12,500 | | | |

| | | |
|------------|--|------------|
| <i>Dr.</i> | BUSINESS PURCHASE ACCOUNT (Gladsdale Ironworks) | <i>Cr.</i> |
|------------|--|------------|

| | | | | | | | | | |
|------|-------------------------|---------------------|----------------|----------------|--|--|--|--|--|
| 19.. | To Messrs. Wilson & Co. | <u>£</u> 125,000 | <u>s.</u> — | <u>d.</u> — | | | | | |
|------|-------------------------|---------------------|----------------|----------------|--|--|--|--|--|

| | | | | | | | | | |
|------|----------------------------|-----------------|------|------|------|----------------------|-----------------|------|------|
| 19.. | To Share Capital | £ 25,000 | s. — | d. — | 19.. | By Business Purchase | £ | s. — | d. — |
| | „ Cash. | 100,000 | — | — | | A/c | 125,000 | — | — |
| | | <u>£125,000</u> | — | — | | | <u>£125,000</u> | — | — |

| | | | | | | | | | |
|------|----------------|-----------------|----|----|-----------------|------------------------------|-----------------|----|----|
| 19.. | To Balance c/d | £ | s. | d. | 19.. | | £ | s. | d. |
| | | 205,000 | - | - | Jan. .. | By Application and Allotment | 60,000 | - | - |
| | | | | | Apr. .. | " First Call | 60,000 | - | - |
| | | | | | June .. | " Second Call | 60,000 | - | - |
| | | | | | (No date given) | " Messrs. Wilson & Co. | 25,000 | - | - |
| | | <u>£205,000</u> | - | - | | | <u>£205,000</u> | - | - |
| | | | | | | By Balance b/d | 205,000 | - | - |

EXERCISE XXIII—No. 29.

JOURNAL OF MESSRS. BLACK & TAN, LTD.

| 19.. | | £ | s. | d. | £ | s. | d. |
|---------|--|-----------------|----|----|-----------------|----|----|
| Jan. .. | Sundry Shareholders | 75,000 | — | — | 75,000 | — | — |
| | To Ordinary Share Capital | | | | | | |
| | Sundry Shareholders | 100,000 | — | — | 100,000 | — | — |
| | To Preference Share Capital | | | | | | |
| | Business Purchase Account | 50,000 | — | — | 50,000 | — | — |
| | To Vendor's Account | | | | | | |
| | For part value of business purchased. | | | | | | |
| | Vendor's Account | 50,000 | — | — | 50,000 | — | — |
| | To Ordinary Share Capital | | | | | | |
| | For issue to vendor of 10,000 shares of £5 each as part payment of purchase price of business. | | | | | | |
| | Ordinary Share Capital | 2,500 | — | — | 1,500 | — | — |
| | To Forfeited Shares Account | | | | 1,000 | — | — |
| | „ Unpaid Calls | | | | | | |
| | Debenture Holders | 100,000 | — | — | 100,000 | — | — |
| | To Debentures | | | | | | |
| | | <u>£377,500</u> | — | — | <u>£377,500</u> | — | — |

CASH BOOK

(DEBIT SIDE)

| 19.. | | £ | s. | d. |
|---------|---|-----------------|----|----|
| Jan. .. | To Sundry Shareholders (Ordinary Shares) | 74,000 | — | — |
| | „ Sundry Shareholders (Preference Shares) | 100,000 | — | — |
| | „ Debenture Holders | 100,000 | — | — |
| | | <u>£274,000</u> | — | — |

EXERCISE XXIII—No. 30.

THE STATUTORY AND STATISTICAL BOOKS

(Incorporated under the

APPLICATION AND ALLOT

| No. of Appli- cation. | Date of Appli- cation. | NAME. | ADDRESS. | Occupation. | No. of Shares Applied for. | Amount Paid on Applica- tion. |
|--------------------------|---------------------------|-----------------|-------------------------------|-------------|----------------------------------|--|
| | 19.. | | | | | £ s. d. |
| 1 | Feb. 16 | Smith, F. . . | 12 Brooke Street, Lyndhurst | Surveyor | 1,200 | 1,800 |
| 2 | " 17 | Finch, T. E. . | 64 Fleet Street, London, E.C. | Journalist | 600 | 900 |
| 3 | " 18 | Strong, P. . . | 17 Thornville Road, Buxton | Architect | 1,000 | 1,500 |
| 4 | " 18 | Carter, G. M. . | 2 Boulders Lane, Cleethorpes | Spinster | 600 | 900 |
| 5 | " 18 | Turner, R. . . | 56 Longworth Road, Thurston | Merchant | 1,200 | 1,800 |
| 6 | " 19 | Brown, A. . . | 95 St. Peter's Road, Somerset | Broker | 1,000 | 1,500 |
| 7 | " 19 | Trelwyn, N. . | 110 Lime Street, Liverpool | Mason | 1,500 | 2,250 |
| 8 | " 20 | Phillpott, L. . | 14 Larneway Avenue, Buxton | Butcher | 600 | 900 |
| 9 | " 20 | French, H. . . | 106 Corncrake Lane, Leicester | Designer | 1,200 | 1,800 |
| 10 | " 21 | Smith, A. . . | 2 Grange Mansions, Pudworth | Banker | 2,500 | 3,750 |
| | | | | | 11,400 ^g | 17,100 |

SHAREHOLDERS' CASH

| Date. | Receipts. | Fo. | Amount. | Date. | Payments. | Fo. | Amount. |
|---------|---------------------|-----|---------|---------|------------------|-----|---------|
| 19.. | | | £ s. d. | 19.. | | | £ s. d. |
| Feb. 16 | To Application A/c— | | | Feb. 21 | By Balance c/d . | | 17,100 |
| " 16 | Smith, F. . . | | 1,800 | | | | |
| " 17 | Finch, Thos. E. | | 900 | | | | |
| " 18 | Strong, P. . . | | 1,500 | | | | |
| " 18 | Carter, G. M. . | | 900 | | | | |
| " 18 | Turner, R. . . | | 1,800 | | | | |
| " 19 | Brown, A. . . | | 1,500 | | | | |
| " 19 | Trelwyn, N. . | | 2,250 | | | | |
| " 20 | Phillpott, L. . | | 900 | | | | |
| " 20 | French, H. . . | | 1,800 | | | | |
| " 21 | Smith, A. . . | | 3,750 | | | | |
| | | £ | 17,100 | | | £ | 17,100 |

OF THE BRITISH TIMBER SYNDICATE, LTD.

Companies Act, 1929)

MENTS BOOK (PREFERENCE SHARES)

| No. of Shares Allot- ted. | Distinctive Numbers. | | S.L. Fo. | Amount Due on Application and Allotment. | | | Balance Due on Allotment. | | | Amount Paid on Allotment. | | | Cash Returned. | No. of Share Certi- ficate. | Remarks |
|------------------------------------|-------------------------|--------|-------------|--|----|----|---------------------------------|----|----|---------------------------------|----|----|-------------------|--------------------------------------|---------|
| | From | To | | £ | s. | d. | £ | s. | d. | £ | s. | d. | | | |
| 1,000 | 1 | 1,000 | | 3,000 | - | - | 1,200 | - | - | 1,200 | - | - | | | |
| 500 | 1,001 | 1,500 | | 1,500 | - | - | 600 | - | - | 600 | - | - | | | |
| 1,000 | 1,501 | 2,500 | | 3,000 | - | - | 1,500 | - | - | 1,500 | - | - | | | |
| 500 | 2,501 | 3,000 | | 1,500 | - | - | 600 | - | - | 600 | - | - | | | |
| 1,000 | 3,001 | 4,000 | | 3,000 | - | - | 1,200 | - | - | 1,200 | - | - | | | |
| 1,000 | 4,001 | 5,000 | | 3,000 | - | - | 1,500 | - | - | 1,500 | - | - | | | |
| 1,500 | 5,001 | 6,500 | | 4,500 | - | - | 2,250 | - | - | 2,250 | - | - | | | |
| 500 | 6,501 | 7,000 | | 1,500 | - | - | 600 | - | - | 600 | - | - | | | |
| 1,000 | 7,001 | 8,000 | | 3,000 | - | - | 1,200 | - | - | 1,200 | - | - | | | |
| 2,000 | 8,001 | 10,000 | | 6,000 | - | - | 2,250 | - | - | 2,250 | - | - | | | |
| 10,000 | | | £ | 30,000 | - | - | 12,900 | - | - | 12,900 | - | - | | | |

BOOK (PREFERENCE SHARES)

| Date. | | Receipts. | Fo. | Amount. | | | Date. | Payments. | Fo. | Amount. | | |
|---------|--|--------------------|-----|---------|----|----|---------|---------------------------------------|-----|---------|----|----|
| | | | | £ | s. | d. | | | | £ | s. | d. |
| 19. . | | To Balance b/f . . | | 17,100 | - | - | 19. . | | | | | |
| Feb. 21 | | " Allotment A/c— | | | | | Feb. 23 | By Transfer to Gen- eral Cash Book | | 30,000 | - | - |
| " 23 | | Smith, F. . . | | 1,200 | - | - | | | | | | |
| | | Finch, Thos. E. . | | 600 | - | - | | | | | | |
| | | Strong, P. . . | | 1,500 | - | - | | | | | | |
| | | Carter, G. M. . . | | 600 | - | - | | | | | | |
| | | Turner, R. . . | | 1,200 | - | - | | | | | | |
| | | Brown, A. . . | | 1,500 | - | - | | | | | | |
| | | Trelwyn, N. . . | | 2,250 | - | - | | | | | | |
| | | Philpott, L. . . | | 600 | - | - | | | | | | |
| | | French, H. . . | | 1,200 | - | - | | | | | | |
| | | Smith, A. . . | | 2,250 | - | - | | | | | | |
| | | | £ | 30,000 | - | - | | | £ | 30,000 | - | - |

Number of }
 Certificate }

THE COMPANIES ACT, 1929

RETURN OF ALLOTMENTS

OF THE

BRITISH TIMBER SYNDICATE, LTD.

A Company's
 Fee Stamp of
 5s.
 must be
 impressed here.

made 23rd day of February, 19..

| | |
|--|----------|
| Number of the PREFERENCE Shares allotted payable in } | 10,000 |
| Cash } | |
| Nominal Amount of the PREFERENCE Shares so allotted | £100,000 |
| Amount paid or due and payable on each such PRE- } | £10 |
| REFERENCE Share } | |
| Number of Shares allotted for a consideration other than } | 10,000 |
| Cash ORDINARY } | |
| Nominal Amount of the Shares so allotted | £100,000 |
| Amount to be treated as paid on each such Share | £10 |

The Consideration for which such Shares have been allotted is as follows—

Part Payment of the purchase price to acquire the business of Messrs. Poole & Co. (vendors).

NAMES, ADDRESSES, AND DESCRIPTIONS OF THE ALLOTTEES
IN THE BRITISH TIMBER SYNDICATE, LIMITED

| SURNAME. | CHRISTIAN NAME(s). | ADDRESS. | Description. | Number of Shares Allotted. | | |
|--------------------------|-----------------------|---------------------------------|--------------|-------------------------------|-----------|----------------|
| | | | | Prefer- ence. | Ordinary. | De- ferred. |
| Smith . . | Fred . . | 12 Brooke Street, Lyndhurst . | Surveyor | 1,000 | | |
| Finch . . | Thomas E. | 64 Fleet Street, London, E.C. | Journalist | 500 | | |
| Strong . . | Phillip . | 17 Thornville Road, Buxton . | Architect | 1,000 | | |
| Carter . . | Grace M. . | 2 Boulders Lane, Cleethorpes | Spinster | 500 | | |
| Turner . . | Reginald . | 56 Longworth Road, Thurston | Merchant | 1,000 | | |
| Brown . . | Arthur. . | 95 St. Peter's Road, Somerset | Broker | 1,000 | | |
| Trelwyn . | Norman . | 110 Lime Street, Liverpool . | Mason | 1,500 | | |
| Philpott . | Leslie . . | 14 Larneway Avenue, Buxton . | Butcher | 500 | | |
| French . . | Harold. . | 106 Corncrake Lane, Leicester . | Designer | 1,000 | | |
| Smith . . | Alfred . . | 2 Grange Mansions, Pudworth | Banker | 2,000 | | |
| Poole & Co. (vendors) | | | | | 10,000 | |
| | | | | 10,000 | 10,000 | |

CALL BOOK

First Call of £3 per Share made

| S.L. Folio. | NAME. | ADDRESS. | No. of Shares Held. |
|----------------|-----------------------|-------------------------------------|---------------------------|
| | Smith, F. . . . | 12 Brooke Street, Lyndhurst . . . | 1,000 |
| | Finch, Thos. E. . . . | 64 Fleet Street, London, E.C. . . | 500 |
| | Strong, P. . . . | 17 Thornville Road, Buxton . . . | 1,000 |
| | Carter, G. M. . . . | 2 Boulders Lane, Cleethorpes . . . | 500 |
| | Turner, R. . . . | 56 Longworth Road, Thurston . . . | 1,000 |
| | Brown, A. . . . | 95 St. Peter's Road, Somerset . . . | 1,000 |
| | Trelwyn, N. . . . | 110 Lime Street, Liverpool . . . | 1,500 |
| | Philpott, L. . . . | 14 Larneway Avenue, Buxton . . . | 500 |
| | French, H. . . . | 106 Corncrake Lane, Leicester . . . | 1,000 |
| | Smith, A. . . . | 2 Grange Mansions, Pudworth . . . | 2,000 |
| | | | <u>10,000</u> |

CALL BOOK

Second Call of £2 per Share made

| S.L. Folio. | NAME. | ADDRESS. | No. of Shares Held. |
|----------------|---------------------|-------------------------------------|---------------------------|
| | Smith, F. . . . | 12 Brooke Street, Lyndhurst . . . | 1,000 |
| | Finch, T. E. . . . | 64 Fleet Street, London, E.C. . . | 500 |
| | Strong, P. . . . | 17 Thornville Road, Buxton . . . | 1,000 |
| | Carter, G. M. . . . | 2 Boulders Lane, Cleethorpes . . . | 500 |
| | Turner, R. . . . | 56 Longworth Road, Thurston . . . | 1,000 |
| | Brown, A. . . . | 95 St. Peter's Road, Somerset . . . | 1,000 |
| | Trelwyn, N. . . . | 110 Lime Street, Liverpool . . . | 1,500 |
| | Philpott, L. . . . | 14 Larneway Avenue, Buxton . . . | 500 |
| | French, H. . . . | 106 Corncrake Lane, Leicester . . . | 1,000 |
| | Smith, A. . . . | 2 Grange Mansions, Pudworth . . . | 2,000 |
| | | | <u>10,000</u> |

(PREFERENCE SHARES)

April 1st and payable on same date.

| Amount Due. | | | Amount Paid. | | | ARREARS. | | | | | | Calls Paid in Advance. | | | Remarks. | | |
|-------------|----|----|--------------|----|----|----------|--|-------|--|-----------|--|------------------------|--|--|----------|--|--|
| | | | | | | Amount. | | Days. | | Interest. | | | | | | | |
| £ | s. | d. | £ | s. | d. | | | | | | | | | | | | |
| 3,000 | - | - | 3,000 | - | - | | | | | | | | | | | | |
| 1,500 | - | - | 1,500 | - | - | | | | | | | | | | | | |
| 3,000 | - | - | 3,000 | - | - | | | | | | | | | | | | |
| 1,500 | - | - | 1,500 | - | - | | | | | | | | | | | | |
| 3,000 | - | - | 3,000 | - | - | | | | | | | | | | | | |
| 3,000 | - | - | 3,000 | - | - | | | | | | | | | | | | |
| 4,500 | - | - | 4,500 | - | - | | | | | | | | | | | | |
| 1,500 | - | - | 1,500 | - | - | | | | | | | | | | | | |
| 3,000 | - | - | 3,000 | - | - | | | | | | | | | | | | |
| 6,000 | - | - | 6,000 | - | - | | | | | | | | | | | | |
| 30,000 | - | - | 30,000 | - | - | | | | | | | | | | | | |

(PREFERENCE SHARES)

June 1st and payable on same date.

| Amount Due. | | | Amount Paid. | | | ARREARS. | | | | | | Calls Paid in Advance. | Remarks. |
|-------------|----|----|--------------|----|----|----------|--|-------|-----------|--|--|------------------------|----------|
| | | | | | | Amount. | | Days. | Interest. | | | | |
| £ | s. | d. | £ | s. | d. | | | | | | | | |
| 2,000 | - | - | 2,000 | - | - | | | | | | | | |
| 1,000 | - | - | 1,000 | - | - | | | | | | | | |
| 2,000 | - | - | 2,000 | - | - | | | | | | | | |
| 1,000 | - | - | 1,000 | - | - | | | | | | | | |
| 2,000 | - | - | 2,000 | - | - | | | | | | | | |
| 2,000 | - | - | 2,000 | - | - | | | | | | | | |
| 3,000 | - | - | 3,000 | - | - | | | | | | | | |
| 1,000 | - | - | 1,000 | - | - | | | | | | | | |
| 2,000 | - | - | 2,000 | - | - | | | | | | | | |
| 4,000 | - | - | 4,000 | - | - | | | | | | | | |
| 20,000 | - | - | 20,000 | - | - | | | | | | | | |

CALL BOOK

(Final Call of £2 per Share made

| S.L. Folio. | NAME. | ADDRESS. | No. of Shares Held. |
|----------------|---------------------|-------------------------------------|---------------------------|
| | Smith, F. . . . | 12 Brooke Street, Lyndhurst . . . | 1,000 |
| | Finch, T. E. . . . | 64 Fleet Street, London, E.C. . . . | 500 |
| | Strong, P. . . . | 17 Thornville Road, Buxton . . . | 1,000 |
| | Carter, G. M. . . . | 2 Boulders Lane, Cleethorpes . . . | 500 |
| | Turner, R. . . . | 56 Longworth Road, Thurston . . . | 1,000 |
| | Brown, A. . . . | 95 St. Peter's Road, Somerset . . . | 1,000 |
| | Trelwyn, N. . . . | 110 Lime Street, Liverpool . . . | 1,500 |
| | Philpott, L. . . . | 14 Larneway Avenue, Buxton . . . | 500 |
| | French, H. . . . | 106 Corncrake Lane, Leicester . . . | 1,000 |
| | Smith, A. . . . | 2 Grange Mansions, Pudworth . . . | 2,000 |
| | | | <u>10,000</u> |

Dr.

SHAREHOLDERS' CASH

| S.L. Folio. | RECEIPTS. | 1st Call: April 1st. | | | 2nd Call: June 1st. | | | Final Call: Aug. 1st. | | | Total. | | |
|----------------|--|-------------------------|----|----|------------------------|----|----|--------------------------|----|----|--------|----|----|
| | | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| | To Smith, F. . . | 3,000 | - | - | 2,000 | - | - | 2,000 | - | - | 7,000 | - | - |
| | „ Finch, T. E. . . | 1,500 | - | - | 1,000 | - | - | 1,000 | - | - | 3,500 | - | - |
| | „ Strong, P. . . | 3,000 | - | - | 2,000 | - | - | 2,000 | - | - | 7,000 | - | - |
| | „ Carter, G. M. . . | 1,500 | - | - | 1,000 | - | - | 1,000 | - | - | 3,500 | - | - |
| | „ Turner, R. . . | 3,000 | - | - | 2,000 | - | - | 2,000 | - | - | 7,000 | - | - |
| | „ Brown, A. . . | 3,000 | - | - | 2,000 | - | - | 1,000 | - | - | 6,000 | - | - |
| | „ Trelwyn, N. . . | 4,500 | - | - | 3,000 | - | - | 3,000 | - | - | 10,500 | - | - |
| | „ Philpott, L. . . | 1,500 | - | - | 1,000 | - | - | 1,000 | - | - | 3,500 | - | - |
| | „ French, H. . . | 3,000 | - | - | 2,000 | - | - | 2,000 | - | - | 7,000 | - | - |
| | „ Smith, A. . . | 6,000 | - | - | 4,000 | - | - | 4,000 | - | - | 14,000 | - | - |
| | | £ 30,000 | - | - | 20,000 | - | - | 19,000 | - | - | 69,000 | - | - |
| Aug. 10. | To Brown, A. (arrears, in- cluding Int.) | | | | | | | | | | 1,004 | 2 | 2 |

1st August and payable same date.)

| Amount Due. | | | Amount Paid. | | | ARREARS. | | | | | | Calls Paid in Advance. | | | Remarks. | | |
|-------------|----|----|--------------|----|----|----------|----|----|-------|-----------|--|------------------------|----|----|----------|--|----------------|
| | | | | | | Amount. | | | Days. | Interest. | | | | | | | |
| £ | s. | d. | £ | s. | d. | £ | s. | d. | | | | £ | s. | d. | | | |
| 2,000 | — | — | 2,000 | — | — | | | | | | | | | | | | |
| 1,000 | — | — | 1,000 | — | — | | | | | | | | | | | | |
| 2,000 | — | — | 2,000 | — | — | | | | | | | | | | | | |
| 1,000 | — | — | 1,000 | — | — | | | | | | | | | | | | |
| 2,000 | — | — | 2,000 | — | — | | | | | | | | | | | | |
| 2,000 | — | — | 1,000 | — | — | 1,000 | — | — | 30 | | | 4 | 2 | 2 | | | { Paid Aug. 10 |
| 3,000 | — | — | 3,000 | — | — | | | | | | | | | | | | |
| 1,000 | — | — | 1,000 | — | — | | | | | | | | | | | | |
| 2,000 | — | — | 2,000 | — | — | | | | | | | | | | | | |
| 4,000 | — | — | 4,000 | — | — | | | | | | | | | | | | |
| 20,000 | — | — | 19,000 | — | — | £1,000 | — | — | 30 | | | £4 | 2 | 2 | | | |

Cr.

[illegible]

REGISTER OF TRANS

| No. of Transfer. | Date Transfer Registered. | TRANSFEROR'S | | | | S.L. Fo. | NAME. |
|------------------|---------------------------|--------------|--------------------------|----------|-------------|----------|------------------|
| | | S.L. Fo. | NAME. | ADDRESS. | Occupation. | | |
| 1 | 19.. Mar. 10 | } | Poole & Co. (vendors) | | | } | Laurel, F. . . |
| 2 | " 22 | | | | | | Tomlin, P. . . |
| 3 | May 24 | | | | | | Charlton, L. . . |
| 4 | June 23 | | | | | | Dalton, C. . . |
| 5 | Sept. 19 | | | | | | Soames, R. . . |

REGISTER OF TRANS

| No. of Transfer. | Date Transfer Registered. | TRANSFEROR'S | | | | S.L. Fo. | NAME. |
|------------------|---------------------------|--------------|----------------|--------------------------------|-------------|----------|------------------|
| | | S.L. Fo. | NAME. | ADDRESS. | Occupation. | | |
| 1 | 19.. Mar. 25 | | Smith, F. . . | 12 Brooke Street, Lyndhurst. . | Surveyor | | Finch, T. E. . . |
| 2 | Apr. 20 | | Philpott, L. . | 14 Larneway Avenue, Buxton. . | Butcher | | French, H. . . |
| 3 | May 16 | | Smith, A. . . | 2 Grange Mansions, Pudworth. . | Banker | | Finch, T. . . |
| 4 | July 16 | | Trelwyn, N. . | 110 Lime Street, Liverpool. . | Mason | | Turner, R. . . |
| 5 | Aug. 20 | | Strong, P. . . | 17 Thornville Road, Buxton . | Architect | | French, H. . . |

FERS (ORDINARY SHARES)

| TRANSFEREE'S | | SHARES TRANSFERRED. | | | | | No. of New Certi- ficate. | Remarks. |
|-------------------------------|-------------|---------------------|-------------------------|--------|--------------------|------|------------------------------------|----------|
| ADDRESS. | Occupation. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | | | |
| | | | From | To | | | | |
| 16 Penzance Road, Falmouth | . Mason | 1,000 | 10,001 | 11,000 | £ 10,000 | s. — | d. — | |
| 27 Elgin Avenue, Somerset . | . Grocer | 1,000 | 11,001 | 12,000 | 10,000 | — | — | |
| 3 Lothbury Mansions, Poole . | . Banker | 1,000 | 12,001 | 13,000 | 10,000 | — | — | |
| 64 Roseberry Avenue, Paignton | . Builder | 500 | 13,001 | 13,500 | 5,000 | — | — | |
| 17 Lionel Gardens, Bromley . | . Gentleman | 500 | 13,501 | 14,000 | 5,000 | — | — | |

FERS (PREFERENCE SHARES)

| TRANSFEREE'S | | SHARES TRANSFERRED. | | | | No. of New Certi- ficate. | Remarks. | |
|---------------------------------|--------------|---------------------|-------------------------|-------|--------------------|------------------------------------|----------|--|
| ADDRESS. | Occupation. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | | | |
| | | | From | To | | | | |
| 64 Fleet Street, London, E.C. | . Journalist | 100 | 1 | 100 | £ 1,000 | s. — | d. — | |
| 106 Corncrake Lane, Leicester . | . Designer | 500 | 6,501 | 7,000 | 5,000 | — | — | |
| 64 Fleet Street, London, E.C. | . Journalist | 1,000 | 8,001 | 9,000 | 10,000 | — | — | |
| 56 Longworth Road, Thurston | . Merchant | 500 | 5,001 | 5,500 | 5,000 | — | — | |
| 106 Corncrake Lane, Leicester . | . Designer | 500 | 1,501 | 2,000 | 5,000 | — | — | |

SHARE LEDGER (ORDINARY SHARES)

Date entered as a Member.....*February 23rd, 19..*

Date ceased as a Member.....

SHARES ACCOUNT

| SHARES ACQUIRED. | | | | | SHARES TRANSFERRED. | | | | | BALANCE. | | | |
|------------------|-----|----------------|----------------------|--------|---------------------|----------|-----|----------------|----------------------|----------|-----------------|----------------|-----------------|
| Date. | Fo. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | Date. | Fo. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | No. of Shares. | Amount Paid up. |
| | | | From | To | | | | | From | To | | | |
| 19.. | | | | | | 19.. | | | | | £ | s | d |
| Feb. 23 | | 10,000 | 10,001 | 20,000 | | | | | | | 10,000 | 100,000 | — |
| | | | | | | Mar. 10 | | 1,000 | 10,001 | 11,000 | 10,000 | 9,000 | 90,000 |
| | | | | | | 22 | | 1,000 | 11,001 | 12,000 | 10,000 | 8,000 | 80,000 |
| | | | | | | May 24 | | 1,000 | 12,001 | 13,000 | 10,000 | 7,000 | 70,000 |
| | | | | | | June 23 | | 500 | 13,001 | 13,500 | 5,000 | 6,500 | 65,000 |
| | | | | | | Sept. 19 | | 500 | 13,501 | 14,000 | 5,000 | 6,000 | 60,000 |

Date entered as a Member.....*March 10th, 19..*

Date ceased as a Member.....

| | | | | | | | | | | | | | |
|---------|--|-------|--------|--------|--------|---|---|--|--|--|--|-------|--------|
| 19.. | | | | | £ | s | d | | | | | | |
| Mar. 10 | | 1,000 | 10,001 | 11,000 | 10,000 | — | — | | | | | 1,000 | 10,000 |

Date entered as a Member.....*March 22nd, 19..*

Date ceased as a Member.....

| | | | | | | | | | | | | | |
|---------|--|-------|--------|--------|--------|---|---|--|--|--|--|-------|--------|
| 19.. | | | | | £ | s | d | | | | | | |
| Mar. 22 | | 1,000 | 11,001 | 12,000 | 10,000 | — | — | | | | | 1,000 | 10,000 |

Date entered as a Member.....*May 24th, 19..*

Date ceased as a Member.....

| | | | | | | | | | | | | | |
|--------|--|-------|--------|--------|--|--|--|--|--|--|--|-------|--------|
| 19.. | | | | | | | | | | | | | |
| May 24 | | 1,000 | 12,001 | 13,000 | | | | | | | | 1,000 | 10,000 |

Date entered as a Member.....*June 23rd, 19..*

Date ceased as a Member.....

| | | | | | | | | | | | | | |
|---------|--|-----|--------|--------|-------|---|---|--|--|--|--|-----|-------|
| 19.. | | | | | £ | s | d | | | | | | |
| June 23 | | 500 | 13,001 | 13,500 | 5,000 | — | — | | | | | 500 | 5,000 |

Date entered as a Member.....*September 19th, 19..*

Date ceased as a Member.....

| | | | | | | | | | | | | | |
|----------|--|-----|--------|--------|-------|---|---|--|--|--|--|-----|-------|
| 19.. | | | | | £ | s | d | | | | | | |
| Sept. 19 | | 500 | 13,501 | 14,000 | 5,000 | — | — | | | | | 500 | 5,000 |

REGISTER OF MEMBERS

Name.....*Smith, Fred*..... Occupation.....*Surveyor*.....Address.....*12 Brooke Street, Lyndhurst*

Dr.

CASH ACCOUNT

Cr.

| Date. | Particulars. | Fo. | Amount Called up per Share. | | | Total Amount Called up. | | | Date. | Particulars. | Fo. | Total Amount Paid up. | | |
|-----------------|------------------------------|-----|-----------------------------|----|----|-------------------------|----|----|-----------------|---------------|-----|-----------------------|----|----|
| | | | £ | s. | d. | £ | s. | d. | | | | £ | s. | d. |
| 19.. Feb. 23 | To Application and Allotment | | 3 | — | — | 3,000 | — | — | 19.. Feb. 16 | By Cash . . . | | 1,800 | — | — |
| | | | | | | | | | " 23 | " Cash . . . | | 1,200 | — | — |
| | | | | | | £3,000 | — | — | | | | £3,000 | — | — |
| Apr. 1 | To First Call . . | | 3 | — | — | £3,000 | — | — | Apr. 1 | By Cash . . . | | £3,000 | — | — |
| June 1 | " Second Call . . | | 2 | — | — | £2,000 | — | — | June 1 | " Cash . . . | | £2,000 | — | — |
| Aug. 1 | " Final Call . . | | 2 | — | — | £2,000 | — | — | Aug. 1 | " Cash . . . | | £2,000 | — | — |

Name.....*Finch, Thomas E.*..... Occupation.....*Journalist*.....Address.....*64 Fleet Street, London, E.C.*.....

| | | | £ | s. | d. | £ | s. | d. | | | | £ | s. | d. |
|-----------------|------------------------------|--|---|----|----|--------|----|----|-----------------|---------------|--|--------|----|----|
| 19.. Feb. 23 | To Application and Allotment | | 3 | — | — | 1,500 | — | — | 19.. Feb. 17 | By Cash . . . | | 900 | — | — |
| | | | | | | | | | " 23 | " Cash . . . | | 600 | — | — |
| | | | | | | £1,500 | — | — | | | | £1,500 | — | — |
| Apr. 1 | To First Call . . | | 3 | — | — | £1,500 | — | — | Apr. 1 | By Cash . . . | | £1,500 | — | — |
| June 1 | " Second Call . . | | 2 | — | — | £1,000 | — | — | June 1 | " Cash . . . | | £1,000 | — | — |
| Aug. 1 | " Final Call . . | | 2 | — | — | £1,000 | — | — | Aug. 1 | " Cash . . . | | £1,000 | — | — |

Name.....*Strong, Philip*..... Occupation.....*Architect*.....Address.....*17 Thornville Road, Buxton*.....

| | | | £ | s. | d. | £ | s. | d. | | | | £ | s. | d. |
|-----------------|------------------------------|--|---|----|----|--------|----|----|-----------------|---------------|--|--------|----|----|
| 19.. Feb. 23 | To Application and Allotment | | 3 | — | — | 3,000 | — | — | 19.. Feb. 18 | By Cash . . . | | 1,500 | — | — |
| | | | | | | | | | " 23 | " Cash . . . | | 1,500 | — | — |
| | | | | | | £3,000 | — | — | | | | £3,000 | — | — |
| Apr. 1 | To First Call . . | | 3 | — | — | £3,000 | — | — | Apr. 1 | By Cash . . . | | £3,000 | — | — |
| June 1 | " Second Call . . | | 2 | — | — | £2,000 | — | — | June 1 | " Cash . . . | | £2,000 | — | — |
| Aug. 1 | " Final Call . . | | 2 | — | — | £2,000 | — | — | Aug. 1 | " Cash . . . | | £2,000 | — | — |

AND SHARE LEDGER (PREFERENCE SHARES)

Date entered as a Member..... *February 23rd, 19..*

Date ceased as a Member.....

SHARES ACCOUNT

| SHARES ACQUIRED. | | | | | SHARES TRANSFERRED. | | | | | BALANCE. | | | |
|------------------|-----|----------------|----------------------|-------|---------------------|---------|-----|----------------|----------------------|----------|-----------------|----------------|-----------------|
| Date. | Fo. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | Date. | Fo. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | No. of Shares. | Amount Paid up. |
| | | | From | To | | | | | From | To | | | |
| 19.. | | | | | | | | | | | £ | s | d |
| Feb. 23 | | 1,000 | 1 | 1,000 | | | | | | | | 1,000 | 3,000 |
| | | | | | | | | | | | | 1,000 | 6,000 |
| | | | | | | | | | | | | 1,000 | 8,000 |
| | | | | | | | | | | | | 1,000 | 10,000 |
| | | | | | | 19.. | | | | | | | |
| | | | | | | Mar. 25 | | 100 | 1 | 100 | 1,000 | 900 | 9,000 |
| | | | | | | | | | | | | | |

Date entered as a Member..... *February 23rd, 19..*

Date ceased as a Member.....

| 19.. | | | | £ | s | d | | | | | | | £ | s | d |
|---------|-------|-------|-------|--------|---|---|--|--|--|--|--|--|-------|--------|---|
| Feb. 23 | 500 | 1,001 | 1,500 | | | | | | | | | | 500 | 1,500 | |
| Mar. 25 | 100 | 1 | 100 | 1,000 | — | — | | | | | | | 500 | 3,000 | |
| May 16 | 1,000 | 8,001 | 9,000 | 10,000 | — | — | | | | | | | 500 | 4,000 | |
| | | | | | | | | | | | | | 500 | 5,000 | |
| | | | | | | | | | | | | | 600 | 6,000 | |
| | | | | | | | | | | | | | 1,600 | 16,000 | |
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Date entered as a Member..... *February 23rd, 19..*

Date ceased as a Member.....

| 19.. Feb. 23 | 1,501 | 2,500 | | | | | | | | £ | s | d | | £ | s | d |
|-----------------|-------|-------|--|--|--|-----------------|--|-----|-------|-------|-------|----|-------|--------|---|---|
| | | | | | | | | | | | | | 1,000 | 3,000 | | |
| | | | | | | | | | | | | | 1,000 | 6,000 | | |
| | | | | | | | | | | | | | 1,000 | 8,000 | | |
| | | | | | | | | | | | | | 1,000 | 10,000 | | |
| | | | | | | 19.. Aug. 20 | | 500 | 1,501 | 2,000 | 5,000 | -- | 500 | 5,000 | | |
| | | | | | | • | | | | | | | | | | |

REGISTER OF MEMBERS AND

Name.....*Carter, Grace M.*..... Occupation.....*Spinster*.....Address.....*2 Boulders Lane, Cleethorpes*.....

Dr.

CASH ACCOUNT

Cr.

| Date. | Particulars. | Fo. | Amount Called up per Share. | | Total Amount Called up. | | Date. | Particulars. | Fo. | Total Amount Paid up. | |
|---------|------------------------------|-----|-----------------------------|-------|-------------------------|-------|---------|---------------|-----|-----------------------|-------|
| 19.. | | | £ | s. d. | £ | s. d. | 19.. | | | £ | s. d. |
| Feb. 23 | To Application and Allotment | | 3 | - | 1,500 | - | Feb. 18 | By Cash . . . | | 900 | - |
| | | | | | | | " 23 | " Cash . . . | | 600 | - |
| | | | | | <u>£1,500</u> | - | | | | <u>£1,500</u> | - |
| Apr. 1 | To First Call . . | | 3 | - | £1,500 | - | Apr. 1 | By Cash . . . | | £1,500 | - |
| June 1 | " Second Call. . | | 2 | - | £1,000 | - | June 1 | " Cash . . . | | £1,000 | - |
| Aug. 1 | " Final Call . . | | 2 | - | £1,000 | - | Aug. 1 | Cash . . . | | £1,000 | - |

Name.....*Turner, Reginald*..... Occupation.....*Merchant*.....Address.....*56 Longworth Road, Thurston*.....

| | | | | | | | | | | | |
|---------|------------------------------|--|---|-------|---------------|-------|---------|---------------|--|---------------|-------|
| 19.. | | | £ | s. d. | £ | s. d. | 19.. | | | £ | s. d. |
| Feb. 23 | To Application and Allotment | | 3 | - | 3,000 | - | Feb. 18 | By Cash . . . | | 1,800 | - |
| | | | | | | | " 23 | " Cash . . . | | 1,200 | - |
| | | | | | <u>£3,000</u> | - | | | | <u>£3,000</u> | - |
| Apr. 1 | To First Call . . | | 3 | - | £3,000 | - | Apr. 1 | By Cash . . . | | £3,000 | - |
| June 1 | " Second Call. . | | 2 | - | £2,000 | - | June 1 | " Cash . . . | | £2,000 | - |
| Aug. 1 | " Final Call . . | | 2 | - | £2,000 | - | Aug. 1 | " Cash . . . | | £2,000 | - |

Name.....*Brown, Arthur*..... Occupation.....*Broker*.....Address.....*95 St. Peter's Road, Somerset*.....

| | | | | | | | | | | | |
|---------|------------------------------|--|---|-------|---------------|-------|---------|---------------|--|---------------|-------|
| 19.. | | | £ | s. d. | £ | s. d. | 19.. | | | £ | s. d. |
| Feb. 23 | To Application and Allotment | | 3 | - | 3,000 | - | Feb. 19 | By Cash . . . | | 1,500 | - |
| | | | | | | | " 23 | " Cash . . . | | 1,500 | - |
| | | | | | <u>£3,000</u> | - | | | | <u>£3,000</u> | - |
| Apr. 1 | To First Call . . | | 3 | - | £3,000 | - | Apr. 1 | By Cash . . . | | £3,000 | - |
| June 1 | " Second Call. . | | 2 | - | £2,000 | - | June 1 | " Cash . . . | | £2,000 | - |
| Aug. 1 | " Final Call . . | | 2 | - | £2,000 | - | Aug. 1 | " Cash . . . | | 1,000 | - |
| | " Interest . . | | | | 4 | 2 2 | " 10 | " Cash . . . | | 1,004 | 2 2 |
| | | | | | | | | (incl. Int.) | | | |
| | | | | | <u>£2,004</u> | 2 2 | | | | <u>£2,004</u> | 2 2 |

Date entered as a Member..... *February 23rd*, 19.....
Date ceased as a Member.....

| SHARES ACQUIRED. | | | | | | SHARES TRANSFERRED. | | | | | | BALANCE. | | | |
|------------------|-----|----------------|----------------------|-------|-----------------|---------------------|-----|----------------|----------------------|----|-----------------|----------------|-----------------|-----|--|
| Date. | Fo. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | Date. | Fo. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | No. of Shares. | Amount Paid up. | | |
| | | | From | To | | | | | From | To | | | | | |
| 19.. Feb. 23 | | 500 | 2,501 | 3,000 | | | | | | | | 500 | £ | s d | |
| | | | | | | | | | | | | 500 | 1,500 | -- | |
| | | | | | | | | | | | | 500 | 3,000 | -- | |
| | | | | | | | | | | | | 500 | 4,000 | -- | |
| | | | | | | | | | | | | 500 | 5,000 | -- | |

Date entered as a Member..... *February 23rd*, 19.....
Date ceased as a Member.....

| | | | | £ | s | d | | | | | | | | | £ | s | d |
|---------|--|-------|-------|-------|-------|---|---|--|--|--|--|--|--|--|-------|--------|---|
| 19.. | | | | | | | | | | | | | | | 1,000 | 3,000 | |
| Feb. 23 | | 1,000 | 3,001 | 4,000 | | | | | | | | | | | 1,000 | 6,000 | |
| July 16 | | 500 | 5,001 | 5,500 | 5,000 | - | - | | | | | | | | 1,000 | 8,000 | |
| | | | | | | | | | | | | | | | 1,000 | 10,000 | |
| | | | | | | | | | | | | | | | 1,500 | 15,000 | |

Date entered as a Member..... *February 23rd*, 19.....

Date ceased as a Member.....

[illegible]

REGISTER OF MEMBERS AND

Name.....*Trelwyn, Norman*..... Occupation.....*Mason*Address.....*110 Lime Street, Liverpool*

Dr.

CASH ACCOUNT

Cr.

| Date. | Particulars. | Fo. | Amount Called up per Share. | | Total Amount Called up. | | Date. | Particulars. | Fo. | Total Amount Paid up. | |
|-----------------|------------------------------|-----|-----------------------------|-------|-------------------------|-------|-----------------|---------------|-----|-----------------------|-------|
| 19.. Feb. 23 | To Application and Allotment | | £ | s. d. | £ | s. d. | 19.. Feb. 19 | By Cash . . . | | £ | s. d. |
| | | | 3 | - | 4,500 | - | " 23 | " Cash . . . | | 2,250 | - |
| | | | | | | | | | | 2,250 | - |
| | | | | | £4,500 | - | | | | £4,500 | - |
| Apr. 1 | To First Call . . | | 3 | - | £4,500 | - | Apr. 1 | By Cash . . . | | £4,500 | - |
| June 1 | " Second Call . . | | 2 | - | £3,000 | - | June 1 | " Cash . . . | | £3,000 | - |
| Aug. 1 | " Final Call . . | | 2 | - | £3,000 | - | Aug. 1 | " Cash . . . | | £3,000 | - |

Name.....*Philpott, Leslie*..... Occupation.....*Butcher*Address.....*14 Larneway Avenue, Buxton*

| | | | | | | | | | | | |
|-----------------|------------------------------|--|---|-------|--------|-------|-----------------|---------------|--|--------|-------|
| 19.. Feb. 23 | To Application and Allotment | | £ | s. d. | £ | s. d. | 19.. Feb. 20 | By Cash . . . | | £ | s. d. |
| | | | 3 | - | 1,500 | - | " 23 | " Cash . . . | | 900 | - |
| | | | | | | | | | | 600 | - |
| | | | | | £1,500 | - | | | | £1,500 | - |
| Apr. 1 | To First Call . . | | 3 | - | £1,500 | - | Apr. 1 | By Cash . . . | | £1,500 | - |
| June 1 | " Second Call . . | | 2 | - | £1,000 | - | June 1 | " Cash . . . | | £1,000 | - |
| Aug. 1 | " Final Call . . | | 2 | - | £1,000 | - | Aug. 1 | " Cash . . . | | £1,000 | - |

Name.....*French, Harold*..... Occupation.....*Designer*Address.....*106 Corncrake Lane, Leicester*

| | | | | | | | | | | | |
|-----------------|------------------------------|--|---|-------|--------|-------|-----------------|---------------|--|--------|-------|
| 19.. Feb. 23 | To Application and Allotment | | £ | s. d. | £ | s. d. | 19.. Feb. 20 | By Cash . . . | | £ | s. d. |
| | | | 3 | - | 3,000 | - | " 23 | " Cash . . . | | 1,800 | - |
| | | | | | | | | | | 1,200 | - |
| | | | | | £3,000 | - | | | | £3,000 | - |
| Apr. 1 | To First Call . . | | 3 | - | £3,000 | - | Apr. 1 | By Cash . . . | | £3,000 | - |
| June 1 | " Second Call . . | | 2 | - | £2,000 | - | June 1 | " Cash . . . | | £2,000 | - |
| Aug. 1 | " Final Call . . | | 2 | - | £2,000 | - | Aug. 1 | " Cash . . . | | £2,000 | - |

Date ceased as a Member.....

| SHARES ACQUIRED. | | | | | SHARES TRANSFERRED. | | | | | BALANCE. | | | | |
|------------------|-----|----------------|----------------------|-------|---------------------|-----------------|-----|----------------|----------------------|----------|-----------------|----------------|-----------------|--------|
| Date. | Fo. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | Date. | Fo. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | No. of Shares. | Amount Paid up. | |
| | | | From | To | | | | | From | To | | | | |
| 19.. Feb. 23 | | 1,500 | 5,001 | 6,500 | | | | | | | £ | s | d | |
| | | | | | | | | | | | | 1,500 | 4,500 | |
| | | | | | | | | | | | | 1,500 | 9,000 | |
| | | | | | | | | | | | | 1,500 | 12,000 | |
| | | | | | | | | | | | | 1,500 | 15,000 | |
| | | | | | | 19.. July 16 | | 500 | 5,001 | 5,500 | 5,000 | - | 1,000 | 10,000 |

Date ceased as a Member.....April 20th, 19.....

| | | | | | | | | | | | | | | | | |
|-----------------|-----|-------|-------|-----------------|-----|-------|-------|-------|---|---|---|---|-----|-------|---|---|
| 19.. Feb. 23 | 500 | 6,501 | 7,000 | | | | | | £ | s | d | | 500 | £ | s | d |
| | | | | | | | | | | | | | 500 | 1,500 | | |
| | | | | | | | | | | | | | 500 | 3,000 | | |
| | | | | | | | | | | | | | 500 | 4,000 | | |
| | | | | | | | | | | | | | 500 | 5,000 | | |
| | | | | 19.. Apr. 20 | 500 | 6,501 | 7,000 | 5,000 | - | | | N | u | | | |

Date ceased as a Member.....

| 19.. | | | | £ | s | d | | | | | | | £ | s | d |
|---------|-------|-------|-------|-------|----|----|--|--|--|--|--|--|-------|--------|----|
| Feb. 23 | 1,000 | 7,001 | 8,000 | | | | | | | | | | 1,000 | 3,000 | |
| Apr. 20 | 500 | 6,501 | 7,000 | 5,000 | -- | -- | | | | | | | 1,000 | 6,000 | -- |
| Aug. 20 | 500 | 1,501 | 2,000 | 5,000 | -- | -- | | | | | | | 1,000 | 8,000 | -- |
| | | | | | | | | | | | | | 1,000 | 10,000 | -- |
| | | | | | | | | | | | | | 1,500 | 15,000 | -- |
| | | | | | | | | | | | | | 2,000 | 20,000 | -- |

REGISTER OF MEMBERS AND

Name.....*Smith, Alfred*..... Occupation.....*Banker*.....Address.....*2 Grange Mansions, Pudworth*.....*Dr.*

CASH ACCOUNT

Cr.

| Date. | Particulars. | Fo. | Amount Called up per Share. | Total Amount Called up. | Date. | Particulars. | Fo. | Total Amount Paid up. |
|---------|---------------------------------|-----|-----------------------------------|-------------------------------|-------|--------------|---------------|-----------------------------|
| 19.. | | | £ | s. | d. | £ | s. | d. |
| Feb. 23 | To Application and Allotment | | 3 | — | — | 6,000 | — | — |
| | | | | | | £6,000 | — | — |
| Apr. 1 | To First Call . . | | 3 | — | — | £8,000 | — | — |
| June 1 | „ Second Call. . | | 2 | — | — | £4,000 | — | — |
| Aug. 1 | „ Final Call . . | | 2 | — | — | £4,000 | — | — |
| 19.. | | | £ | s. | d. | 19.. | | £ |
| Feb. 23 | By Cash . . . | | | | | Feb. 21 | By Cash . . . | 3,750 |
| | „ Cash . . . | | | | | „ 23 | „ Cash . . . | 2,250 |
| | | | | | | | | £8,000 |
| | | | | | | Apr. 1 | By Cash . . . | £8,000 |
| | | | | | | June 1 | „ Cash . . . | £4,000 |
| | | | | | | Aug. 1 | „ Cash . . . | £4,000 |

NAMES, ETC., OF THE DIRECTORS OF
on the fourteenth

| The present Christian Name or Names and Surname. | Any former Christian Name or Names or Surname. |
|---|---|
| Smith, Alfred, <i>Managing Director</i> . . . | |
| Trelwyn, Norman | |
| Strong, Philip | |
| Soames, Robert, <i>Chairman of Directors</i> . | |
| Smith, Fred | |

SHARE LEDGER (PREFERENCE SHARES)

Date entered as a Member..... *February 23rd, 19.*

Date ceased as a Member.....

SHARES ACCOUNT

| SHARES ACQUIRED. | | | | | SHARES TRANSFERRED. | | | | | BALANCE. | | | |
|------------------|-----|----------------|----------------------|--------|---------------------|--------|-----|----------------|----------------------|----------|-----------------|----------------|-----------------|
| Date. | Fo. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | Date. | Fo. | No. of Shares. | Distinctive Numbers. | | Amount Paid up. | No. of Shares. | Amount Paid up. |
| | | | From | To | | | | | From | To | | | |
| 19.. | | | | | | | | | | | £ | s | d |
| Feb. 23 | | 2,000 | 8,001 | 10,000 | | | | | | | | 2,000 | 6,000 |
| | | | | | | | | | | | | 2,000 | 12,000 |
| | | | | | | | | | | | | 2,000 | 16,000 |
| | | | | | | | | | | | | 2,000 | 20,000 |
| | | | | | | 19.. | | | | | | | |
| | | | | | | May 16 | | 1,000 | 8,001 | 9,000 | 10,000 | 1,000 | 10,000 |

THE BRITISH TIMBER SYNDICATE, LIMITED

day of March, 19..

| Nationality. | Nationality of Origin (if other than the present Nationality). | Usual Residence. | Other business occupations, if any (including Directorships in other Companies). [If none, state so.] |
|--------------|--|-----------------------------------|---|
| British | | 2 Grange Mansions, Pudworth . | Banker |
| British | | 110 Lime Street, Liverpool . . . | Mason |
| British | | 17 Thornville Road, Buxton . . . | Architect |
| British | | 17 Lionel Gardens, Bromley . . . | Gentleman |
| British | | 12 Brooke Street, Lyndhurst . . . | Surveyor |

ANNUAL RETURN

OF THE

BRITISH TIMBER SYNDICATE LTD.

made up to the 24th day of March, 19..

| |
|--|
| A Company's Registration Fee Stamp of 5s. must be impressed here. |
|--|

(Being the Fourteenth Day after the date of
the First Ordinary General Meeting in 19..)

The Address of the Registered Office of the Company is as follows—

| | |
|--|-------------------------------|
| Nominal Capital £200,000 divided into | |
| 10,000 ORDINARY Shares of £10 each | |
| 10,000 PREFERENCE Shares of £10 each | |
| Total Number of Shares taken up to the 24th day of March, 19... | } 10,000 ORD. 10,000 PREF. |
| (Which number must agree with the TOTAL shown in the List as held by existing Members) | |
| Number of Shares issued subject to payment wholly in Cash | } 10,000 |
| Number of Shares issued as fully paid up otherwise than in Cash | } 10,000 |
| Number of Shares issued as partly paid up to the extent of.....per Share otherwise than in Cash | } nil |
| There has been called up on each of 10,000 PREFERENCE Shares | } £10 |
| Total Amount of Calls received, including Payments on Application and Allotment | } £100,000 |
| Total Amount (if any) agreed to be considered as paid on 10,000 ORDINARY Shares which have been issued as fully paid up otherwise than in Cash | } £100,000 |

NOTE.—The above Form is complete for the purpose of this Exercise. The actual Form is as illustrated on page 584 of *Advanced Accounts*.

(For NAMES, ETC., OF DIRECTORS, see previous pages.)

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | £ | s. | d. | £ | s. | d. |
|--|--|---------|----|----|-----------------|----|----|
| <i>Nominal and Issued Capital—</i> | | | | | | | |
| 10,000 Ordinary Shares of £10 each (fully paid) | | 100,000 | — | — | | | |
| 10,000 6% Cumulative Preference Shares of £10 each (fully paid). | | 100,000 | — | — | 200,000 | — | — |
| Sundry Creditors | | | | | 6,000 | — | — |
| <i>Profit and Loss Account—</i> | | | | | | | |
| Balance at credit | | | | | 8,000 | — | — |
| | | | | | <u>£214,000</u> | — | — |
| PROPERTY AND ASSETS. | | | | | | | |
| Freehold Land and Buildings | | | | | 80,000 | — | — |
| (at cost less Depreciation) | | | | | | | |
| Fixed Plant and Machinery | | | | | 60,000 | — | — |
| (at cost less Depreciation) | | | | | | | |
| Movable Plant and Loose Tools | | | | | 10,000 | — | — |
| (at valuation made by Company's Manager) | | | | | | | |
| Goodwill | | | | | 15,000 | — | — |
| Stock of Timber | | | | | 12,000 | — | — |
| Sundry Debtors | | | | | 18,000 | — | — |
| Cash in hand and at Bank | | | | | 19,000 | — | — |
| | | | | | <u>£214,000</u> | — | — |

(Signed).....

Auditors to the Company.

(For List of Persons, etc., see following pages.)

LIST of Persons holding Shares in THE BRITISH TIMBER SYNDICATE, LIMITED, time since the date of the last Return, or (in the case of the First Return) of the of the Shares so held.

| Folio in Register Ledger containing Particulars. | NAMES, ADDRESSES, AND OCCUPATIONS. | | | |
|--|------------------------------------|--------------------|-------------------------------------|-------------|
| | SURNAME. | CHRISTIAN NAME(S). | ADDRESS. | OCCUPATION. |
| O.S.L. | Poole & Co. | | | |
| P.S.L. | Laurel . . | Francis . . | 16 Penzance Road Falmouth . . . | Mason |
| | Tomlin . . | Bert . . . | 27 Elgin Avenue, Somerset . . . | Grocer |
| | Charlton . | Leslie . . . | 3 Lothbury Mansions, Poole . . . | Banker |
| | Dalton . . | Charles . . | 64 Roseberry Avenue, Paignton . . | Builder |
| | Soames . . | Robert. . . | 17 Lionel Gardens, Bromley . . . | Gentleman |
| | Smith . . | Fred . . . | 12 Brooke Street, Lyndhurst . . . | Surveyor |
| | Finch . . | Thomas E. . | 64 Fleet Street, London, E.C. . . | Journalist |
| | Strong . . | Philip . . | 17 Thornville Road, Buxton . . . | Architect |
| | Carter . . | Grace M. . . | 2 Boulders Lane, Cleethorpes . . . | Spinster |
| | Turner . . | Reginald . . | 56 Longworth Road, Thurston . . . | Merchant |
| | Brown . . | Arthur . . . | 95 St. Peter's Road, Somerset . . . | Broker |
| | Trelwyn . | Norman . . | 110 Lime Street, Liverpool . . . | Mason |
| | Philpott . | Leslie . . . | 14 Larneway Avenue, Buxton . . . | Butcher |
| | French . . | Harold. . . | 106 Corncrake Lane, Leicester . . . | Designer |
| | Smith . . | Alfred . . . | 2 Grange Mansions, Pudworth . . . | Banker |

on the 24th day of March, 19.., and of Persons who have held Shares therein at any incorporation of the Company, showing their Names and Addresses, and an Account

| ACCOUNT OF SHARES. | | | | | | | | | | | | REMARKS. |
|--|--------|---|-------|-----------------------------------|-------|-------|---|-------|-----------------------------------|------|-------|--|
| Number of Shares held by existing Members at Date of Return. | | Particulars of Shares transferred since the date of the last Return, or (in the case of the first Return) of the incorporation of the Company by Persons who are still Members. | | | | | Particulars of Shares transferred since the date of the last Return, or (in the case of the first Return) of the incorporation of the Company by Persons who have ceased to be Members. | | | | | |
| | | NUMBER. | | DATE OF REGISTRATION OF TRANSFER. | | | NUMBER. | | DATE OF REGISTRATION OF TRANSFER. | | | |
| Ord. | Pref. | Ord. | Pref. | Day. | Mth. | Year. | Ord. | Pref. | Day. | Mth. | Year. | |
| | | 1,000 | | 10 | Mar. | 19.. | | | | | | Laurel, F. Tomlin, B. Charlton, L. Dalton, C. Soames, R. |
| | | 1,000 | | 22 | " | 19.. | | | | | | |
| 6,000 | | 1,000 | | 24 | May | 19.. | | | | | | |
| | | 500 | | 23 | June | 19.. | | | | | | |
| | | 500 | | 19 | Sept. | 19.. | | | | | | |
| 1,000 | | | | | | | | | | | | |
| 1,000 | | | | | | | | | | | | |
| 1,000 | | | | | | | | | | | | |
| 500 | | | | | | | | | | | | |
| 500 | | | | | | | | | | | | |
| | 900 | | 100 | 25 | Mar. | 19.. | | | | | | Finch, T. E. |
| 1,600 | | | | | | | | | | | | |
| | 500 | | 500 | 20 | Aug. | 19.. | | | | | | French, H. |
| | 500 | | | | | | | | | | | |
| 1,500 | | | | | | | | | | | | |
| 1,000 | | | | | | | | | | | | |
| 1,000 | | | 500 | 16 | July | 19.. | | | | | | Turner, R. |
| | | | 500 | 20 | April | 19.. | | | | | | French, H |
| 2,000 | | | | | | | | | | | | |
| 1,000 | | 1,000 | | 16 | May | 19.. | | | | | | Finch, T. E. |
| 10,000 | 10,000 | | | | | | | | | | | |

(Signature).....*Fred Smith*.....

Secretary.

EXERCISE XXIV—Nos. 5 and 6.

See *Advanced Accounts*, page 1075 (under "NOTES ON THE BALANCE SHEET").

EXERCISE XXIV—No. 7.

CURRENT ACCOUNT LEDGER

Robert Collins,
12 *Leopus Avenue, Leighton.*

| Date. | Details. | Fol. | Amount. | | Nature of Bal. | Balance. | INTEREST. | | | |
|---------|----------------------|------|------------|------------|----------------|----------|-----------|------------|-------|----------|
| | | | <i>Dr.</i> | <i>Cr.</i> | | | Days. | Pro-ducts. | Rate. | Amount. |
| 19.. | | | | | | | | | | |
| Dec. 31 | By Balance . . . | . | £ | £ | <i>Cr.</i> | £ | 5 | £ | | £ |
| 19.. | | | | | | | | | | |
| Jan. 5 | To Cheque . . . | . | 115 | - | " | 1,144 | 29 | 29,841 | | |
| Feb. 3 | To Cheque . . . | . | 20 | - | " | 1,009 | 11 | 11,099 | | |
| " 14 | By Cash . . . | . | | 240 | " | 1,249 | 17 | 21,233 | | |
| Mar. 3 | To Cheque . . . | . | 75 | - | " | 1,174 | 31 | 36,394 | | |
| Apr. 3 | By Cash . . . | . | | 64 | " | 1,238 | 2 | 2,476 | | |
| " 5 | To Cheque . . . | . | 24 | - | " | 1,214 | 11 | 13,354 | | |
| " 16 | To Cheque . . . | . | 41 | - | " | 1,173 | 15 | 17,595 | | |
| May 1 | By Cash . . . | . | | 76 | " | 1,249 | 11 | 13,739 | | |
| " 12 | To Cheque . . . | . | 20 | 13 | " | 1,228 | 5 | 6,145 | | |
| " 17 | To Cheque . . . | . | 54 | 5 | " | 1,174 | 6 | 7,044 | | |
| " 23 | By Cash . . . | . | | 190 | " | 1,364 | 10 | 13,640 | | |
| June 2 | To Cheque . . . | . | 74 | 4 | " | 1,290 | 13 | 16,770 | | |
| " 15 | To Cheque . . . | . | 40 | - | " | 1,250 | 15 | 18,750 | | |
| " 30 | Interest, amounts of | . | * 1 | 3 | " | 1,261 | | | | |
| " 30 | To Balance c/d . . | . | 1,260 | 14 | " | 1,261 | | | 2% | £11 14 7 |
| " 30 | * 10% on Turnover. | . | £1,726 | 2 1 | " | £1,260 | | £213,800 | | £11 14 7 |
| | | | £1,726 | 2 1 | | £1,260 | | | | |

EXERCISE XXIV—No. 8.

CURRENT ACCOUNT LEDGER

*Frederick Stevens,
27 Montgomery Mansions, Leverbridge.*

| Date. | Details. | Fol. | Amount. | | Nature of Bal. | Balance. | INTEREST. | | | |
|-------------|---|------|------------|------------|----------------|-----------|------------------------------------|------------|-------|-----------|
| | | | Dr. | Cr. | | | Days. | Pro-ducts. | Rate. | Amount. |
| 19. Dec. 31 | To Balance . | . | £ 554 5 6 | | Dr. | £ 554 5 6 | 17 | £ 9,418 | 4% | £ 1 11 11 |
| 19. Jan. 17 | To Cheque . | . | 20 — | | " | 574 5 6 | 9 | 5,166 | 4% | |
| " 26 | By Cash . | . | | 137 1 2 | " | 437 4 4 | 17 | 7,429 | 4½% | |
| " 12 | To Cheque . | . | 74 5 6 | | " | 511 9 10 | 7 | 3,577 | | |
| " 19 | By Cash . | . | | 130 5 6 | " | 381 4 4 | 12 | 4,572 | | |
| " 3 | To Cheque . | . | 100 — | | " | 481 4 4 | 26 | 12,506 | | |
| " 29 | By Cash . | . | | 116 4 2 | " | 365 — 2 | 4 | 1,460 | 5% | 3 9 2 |
| Apr. 2 | To Cheque . | . | 40 — | | " | 405 — 2 | 21 | 8,505 | | |
| " 23 | " Cheque . | . | 35 — 6 | | " | 440 — 8 | 3 | 1,320 | | |
| " 26 | " Cheque . | . | 54 12 2 | | " | 494 12 10 | 5 | 2,475 | | |
| May 1 | By Cash . | . | | 98 5 2 | " | 396 7 8 | 51 | 20,196 | | |
| June 21 | To Cheque . | . | 26 4 2 | | " | 422 11 10 | 6 | 2,538 | 5½% | 4 13 — |
| " 27 | " Cheque . | . | 160 4 8 | | " | 582 16 6 | 3 | 1,749 | | 12 11 |
| " 30 | " Interest . | . | * 11 12 6 | | " | | | | | |
| " 30 | (inc. ¼% on Turnover) By Balance c/d . | . | | 594 9 — | " | 594 9 — | * Interest on Turnover = £1/5/6 | | | |
| | | | £1,076 5 — | £1,076 5 — | | | | | | £10 7 — |

EXERCISE XXIV—No. 9.

CURRENT ACCOUNT LEDGER

R. Craven.

| Date. | Details. | Fol. | Amount. | | Nature of Bal. | Balance. | INTEREST. | | | |
|---------|---------------|------|-----------|-------|----------------|----------|-----------|------------|-------|------------|
| | | | Dr. | Cr. | | | Days. | Pro-ducts. | Rate. | Amount. |
| 19.. 1 | By Cash | . | £ | s. d. | £ | s. d. | | £ | | £ s. d. |
| Jan. 20 | Cash | . | | — | 1,000 | — | 19 | 19,000 | 2% | |
| " 20 | " To Cheque | . | 1,200 | — | 1,500 | — | 31 | 46,500 | " | |
| Feb. 20 | By Cash | . | | — | 300 | — | 28 | 8,400 | " | |
| Mar. 20 | To Cheque | . | 1,000 | — | 900 | — | 31 | 27,900 | " | |
| Apr. 20 | By Cash | . | | — | 100 | — | 30 | 3,000 | 5% | 5 11 7 Cr. |
| May 20 | To Cheque | . | 500 | — | 600 | — | 31 | 18,600 | 2% | 8 3 Dr. |
| June 20 | " Interest | . | 106 | 8 3 | 100 | — | 10 | 1,000 | " | 1 1 5 Cr. |
| " 30 | " Balance c/d | . | | 4 9 | | | | | | |
| " 30 | | | £2,806 13 | — | £2,806 13 | 4 9 | Cr. | | | |

EXERCISE XXIV—No. 10.

Dr.

J. GAUKROGER IN ACCOUNT CURRENT WITH BLANKSHIRE BANKING CO.

Cr.

| Date. | Particulars. | Fol. | Amount. | Days. | Pro-ducts. | Date. | Particulars. | Fol. | Amount. | Days. | Pro-ducts. |
|---------|-----------------|------|-----------|-------|------------|---------|----------------|------|-----------|-------|------------|
| 19.. 1 | To Balance . . | | £ 2,710 4 | 181 | £ 490,510 | 19.. 1 | By Cash . . | | £ 27 10 | 181 | £ 5,068 |
| " 15 | " Cash . . | | 280 12 | 167 | 46,927 | " 30 | " Cash . . | | 824 6 | 152 | 125,248 |
| Feb. 1 | " Cash . . | | 420 3 | 150 | 63,000 | Feb. 29 | " Cash . . | | 4,172 17 | 122 | 509,106 |
| " 15 | " Cash . . | | 36 14 | 136 | 5,032 | Mar. 31 | " Cash . . | | 718 5 | 91 | 65,338 |
| Mar. 15 | " Cash . . | | 910 2 | 107 | 97,370 | May 31 | " Cash . . | | 1,500 — | 30 | 45,000 |
| Apr. 15 | " Cash . . | | 2,020 3 | 76 | 153,520 | June 30 | " Cash . . | | 180 — | | |
| May 15 | " Cash . . | | 315 — | 46 | 14,490 | " 30 | " Interest . . | | 51 7 | | 749,760 |
| June 15 | " Cash . . | | 280 — | 15 | 4,200 | | | | | | @ 2½% |
| " 30 | " Interest . . | | 119 17 4 | | 875,049 | | | | | | |
| " 30 | " Balance c/d . | | 381 9 8 | | @ 5% | | | | | | |
| | | | £ 7,474 5 | | | | | | £ 7,474 5 | | |

EXERCISE XXIV—No. 12.

The positions of the following items in the Balance Sheet are as stated below—

(1) *Current Accounts* are the running accounts of business men with the bank, and appear on the LIABILITIES side of the Balance Sheet.

(2) *Investments* are sums invested in Government, municipal, or other gilt-edged securities, and appear on the ASSETS side of the Balance Sheet.

(3) *Rebate on Bills not due* is the unexpired portion of Discount on Bills discounted and appears on the LIABILITIES side of the Balance Sheet.

(4) *Short Loans* are sums advanced to bill brokers secured by the deposit of bills, etc., and appear on the ASSETS side of the Balance Sheet. See also *Advanced Accounts*, page 1075.

EXERCISE XXIV—No. 13.

See answer to Exercise XXIV—No. 4 (page 904).

EXERCISE XXIV—No. 14.

TRIAL BALANCE

| | Dr. | | Cr. | |
|---|-------------|-------|-------------|-------|
| | £ | s. d. | £ | s. d. |
| Current and Deposit Accounts | | | 7,731,450 | - - |
| Acceptances on behalf of Customers | 1,200,000 | - - | 1,200,000 | - - |
| Capital Subscribed, 50,000 Shares | | | 1,250,000 | - - |
| Reserve Fund | | | 600,000 | - - |
| Profit and Loss Account | | | 15,300 | - - |
| Interest accrued and paid | 25,500 | - - | | |
| Current Expenses, Salaries, etc. | 71,250 | - - | | |
| Amount added to Staff Retirement Fund | 3,000 | - - | | |
| Premises Account, amount written off | 22,500 | - - | | |
| Gross Profit for year | | | 244,500 | - - |
| Cash in hand and at Bank of England | 1,584,750 | - - | | |
| Money at Call and Short Notice | 274,250 | - - | | |
| Consols (Reserve Fund) | 600,000 | - - | | |
| Consols and Securities | 825,000 | - - | | |
| Colonial and Railway Stocks | 637,500 | - - | | |
| English Corporation Stocks | 235,500 | - - | | |
| Bills, discounted | 379,500 | - - | | |
| Loans and Advances | 4,665,000 | - - | | |
| Bank Premises, Furniture, etc. | 337,500 | - - | | |
| Freehold and Leasehold Properties | 180,000 | - - | | |
| | £11,041,250 | - - | £11,041,250 | - - |

EXERCISE XXIV—No. 14 (*contd.*).

THE CAMBERWELL BANKING CO., LTD.

| Dr. | | PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. | | | | Cr. | | |
|---|--|--|----|----|-----------------|----------|----|----|
| | | £ | s. | d. | By Gross Profit | £ | s. | d. |
| To Interest Paid to Customers . . . | | 25,500 | — | — | | 244,500 | — | — |
| " Salaries, Rent, etc. | | 71,250 | — | — | | | | |
| " Amount carried to Staff Retirement Fund . . . | | 3,000 | — | — | | | | |
| " Amount written off Premises Account . . . | | 22,500 | — | — | | | | |
| " Profit | | 122,250 | — | — | | | | |
| | | £244,500 | — | — | | £244,500 | — | — |

EXERCISE XXIV—No. 17.

THE WEYSIDE CO., LTD.

JOURNAL

| | | £ | s. | d. | £ | s. | d. |
|---------|--|----------|----|----|------------------------|--------------------|------------------|
| 19.. | | | | | | | |
| Jan. .. | Application A/c (Ordinary Shares). To Ordinary Share Capital 2/6 per share on 52,000 shares. | 6,500 | — | — | 6,500 | — | — |
| " .. | Application A/c (Preference Shares) To Preference Share Capital 2/6 per share on 100,000 shares. | 12,500 | — | — | 12,500 | — | — |
| " .. | Allotment A/c (Ordinary Shares) . To Ordinary Share Capital . 2/6 per share on 52,000 shares. | 6,500 | — | — | 6,500 | — | — |
| Jan. .. | Richard Blank (Vendor) To Ordinary Share Capital . For issue of balance of ordinary shares to vendor in part pay- ment of purchase price of busi- ness. | 48,000 | — | — | 48,000 | — | — |
| " .. | Allotment A/c (Preference Shares) . To Preference Share Capital . 2/6 per share on 100,000 shares. | 12,500 | — | — | 12,500 | — | — |
| Jan. 15 | First Call A/c (Ordinary Shares) . To Ordinary Share Capital . 5/- per share on 52,000 shares. | 13,000 | — | — | 13,000 | — | — |
| " 15 | First Call A/c (Preference Shares) . To Preference Share Capital . 5/- per share on 100,000 shares. | 25,000 | — | — | 25,000 | — | — |
| Feb. 15 | Second Call A/c (Ordinary Shares) . To Ordinary Share Capital . 5/- per share on 52,000 shares. | 13,000 | — | — | 13,000 | — | — |
| " 15 | Second Call A/c (Preference Shares) To Preference Share Capital . 5/- per share on 100,000 shares. | 25,000 | — | — | 25,000 | — | — |
| Mar. .. | Ordinary Share Capital To Forfeited Shares A/c " Allotment A/c " First Call A/c " Second Call A/c Being 500 shares of £1 each, 15/- called, forfeited by J. Smith as per Resolution No..... | 375 | — | — | 62 62 125 125 | 10 10 — — | — — — — |
| | | £162,375 | — | — | £162,375 | — | — |

EXERCISE XXV—No. 1.

STATEMENT SHOWING ESTATE DUTY AND
INTEREST PAYABLE

| | Duty and Interest Payable on Original Affidavit | | | Additional on Corrective Affidavit | | | Aggregation | | |
|---|---|----|----|------------------------------------|----|----|-------------|----|----|
| | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| Realty | 2,000 | - | - | 700 | - | - | 2,700 | - | - |
| Personalty | 17,000 | - | - | 3,000 | - | - | 20,000 | - | - |
| | 19,000 | - | - | | | | | | |
| Less Debts | £ | | | | | | | | |
| „ Funeral Expenses | 150 | | | | | | | | |
| | 60 | | | | | | | | |
| | 210 | - | - | | | | | | |
| Duty at 8 per cent paid on | £18,790 | - | - | £3,700 | - | - | £22,700 | - | - |
| £18,790 at 8 per cent | 1,503 | 4 | - | | | | | | |
| Add Interest on duty on net personalty of £16,790 = £1,343 4s. at 3 per cent per annum from 1st October, 1936, to 1st November, 1936 (31 days) | 3 | 8 | 5 | | | | | | |
| | 1,506 | 12 | 5 | | | | | | |
| Duty on £3,700 at 9 per cent | | | | 333 | - | - | | | |
| Additional Duty on £18,790 at 1 per cent | | | | 187 | 18 | - | | | |
| | | | | 520 | 18 | - | | | |
| Add Interest on duty of 1 per cent net personalty on original affidavit (£16,790) = £187 18s. at 3 per cent per annum from 1st October, 1936, to 1st January, 1937 (92 days) | | | | 1 | 8 | 5 | | | |
| Add Interest on duty of 9 per cent additional net personalty on corrective affidavit (£3,000) = £270 at 3 per cent per annum from 1st October, 1936, to 1st January, 1937 (92 days) | | | | 2 | 2 | 10 | | | |
| | £1,506 | 12 | 5 | £524 | 9 | 3 | £2,031 | 1 | 8 |

FREEHOLD HOUSE

Gr.

| | f | s. | d. |
|---|-------|----|----|
| To Estate Account; Value as sworn for Probate . | 5,000 | - | - |
| 1936 Mar. — | | | |

MORTGAGE ON HOUSE

Dr.

Cr.

[illegible]

INCOME TAX ACCOUNT

[illegible]

RENT ACCOUNT

| Dr. | | RENT ACCOUNT | | Cr. | |
|-----|--|--------------|---------|-----|-------|
| | | | | £. | s. d. |
| | | 1937 | | | |
| | | Mar. 31 | By Bank | . | . |
| | | June 30 | " Bank | . | . |
| | | Sept. 30 | " Bank | . | . |
| | | Dec. 31 | " Bank | . | . |
| | | | | 40 | — |
| | | | | 40 | — |
| | | | | 40 | — |
| | | | | 40 | — |

BANK

| <i>Dr.</i> | | | | | | | | | | <i>BANK</i> | | | <i>Cr.</i> | | | | | | |
|--|--|--|--|--|--|--|--|--|--|-------------|-----------|-----------|---|----|----|-----------|-----------|-----------|--|
| | | | | | | | | | | <i>f.</i> | <i>s.</i> | <i>d.</i> | | | | <i>f.</i> | <i>s.</i> | <i>d.</i> | |
| 1937 | | | | | | | | | | | | | 1937 | | | | | | |
| Mar. 31 To Quarter's Rent of House | | | | | | | | | | 40 | — | — | Jan. 31 By Schedule A. tax | 38 | 5 | 11 | | | |
| June 30 " Quarter's Rent of House | | | | | | | | | | 40 | — | — | Mar. 31 " Mortgage Interest, net | 23 | 11 | 11 | | | |
| Sept. 30 " Quarter's Rent of House | | | | | | | | | | 40 | — | — | June 30 " Mortgage Interest, net | 28 | 2 | 6 | | | |
| Dec. 31 " Quarter's Rent of House | | | | | | | | | | 40 | — | — | Sept. 30 " Mortgage Interest, net | 28 | 2 | 6 | | | |
| | | | | | | | | | | | | | Dec. 31 " Mortgage Interest, net | 28 | 2 | 6 | | | |

EXERCISE XXV—No. 4.

| | £ | s. | d. | £ | s. | d. |
|--|----|----|----|------------|-----------|-----------|
| Interim dividend of 2% on £2,000 Stock | 40 | — | — | | | |
| Less tax at 4s. 9d. in the £ | 9 | 10 | — | 30 | 10 | — |
| Final dividend of 4% on £2,000 Stock | 80 | — | — | | | |
| Less tax at 4s. 9d. in the £ | 19 | — | — | 61 | — | — |
| | | | | <u>£91</u> | <u>10</u> | <u>—</u> |
| This should be apportioned as follows— | | | | | | |
| Capital, 3 months | | | | 22 | 17 | 6 |
| Income, 9 months | | | | 68 | 12 | 6 |
| | | | | <u>£91</u> | <u>10</u> | <u>—</u> |
| Of the above sum attributed to capital of | | | | 22 | 17 | 6 |
| there has already been so attributed | | | | 20 | 6 | 8 |
| leaving to be allocated to capital from the final dividend | | | | <u>£2</u> | <u>10</u> | <u>10</u> |
| Of the final dividend of £61 there should be allocated— | | | | | | |
| to Capital | | | | 2 | 10 | 10 |
| to Income | | | | 58 | 9 | 2 |
| | | | | <u>£61</u> | <u>—</u> | <u>—</u> |

EXERCISE XXV—No. 5.

Dr.

CASH BOOK

Cr.

| | Voucher No. | In- come | Capital | Bank | | Voucher No. | In- come | Capital | Bank | |
|--|-------------|-------------|-------------|-----------|--|-------------|-------------|-----------|---------|--|
| | | £ s. d. | £ s. d. | £ s. d. | | | £ s. d. | £ s. d. | £ s. d. | |
| 1936 Feb. 6 | | | | | | | | | | |
| " 8 | | | | | | | | | | |
| " 22 | | | | | | | | | | |
| Mar. 18 | | | | | | | | | | |
| " 26 | | | | | | | | | | |
| Apr. 5 | | | | | | | | | | |
| " 6 | | | | | | | | | | |
| Apr. 6 | | | | | | | | | | |
| | | | | | | | | | | |
| To Quarter's Rent of house due at Christmas, 1935 | | | | | | | | | | |
| " Dividend of 5% on 1,000 £1 Ordinary Shares in A. B. Ltd. for year to 31st December, 1935 | | | | | | | | | | |
| " Interest on Loan of £500 at 4% for 1841-year to 1st March, 1936 | | | | | | | | | | |
| Capital 183 days | | | | | | | | | | |
| " Bank Loan repaid | | | | | | | | | | |
| " Income 28 days | | | | | | | | | | |
| " Rent due 25th inst., £40 gross | | | | | | | | | | |
| Capital 37 days | | | | | | | | | | |
| " Income 84 days | | | | | | | | | | |
| " Quarter's Interest on £2,000 3% Local Loans tax | | | | | | | | | | |
| Capital 26 days | | | | | | | | | | |
| " Income 65 days | | | | | | | | | | |
| " £1,000 3½% War Loan | | | | | | | | | | |
| | | | | | | | | | | |
| To Balance b/d | | | | | | | | | | |
| | | | | | | | | | | |
| | | £ 33 5 7 | 1,900 16 11 | 1,934 2 6 | | £ 33 5 7 | 1,900 16 11 | 1,934 2 6 | | |
| | | £ 21 3 8 | 381 4 10 | 402 8 6 | | | | | | |

THE STAMBRIDGE PUBLISHING CO., LTD.

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| CAPITAL AND LIABILITIES. | | PROPERTY AND ASSETS. | |
|---|--------|--|--------|
| Nominal Capital— | | | |
| 10,000 Ordinary Shares of £1 each | 10,000 | Copyrights Account | 940 |
| 4,000 6% Preference Shares of £5 each | 20,000 | Furniture, Fixtures, and Fittings | 94 |
| | — | Less Depreciation | — |
| | — | | 846 |
| | 30,000 | | — |
| <i>Issued Capital—</i> | — | <i>Stock.</i> | — |
| 4,790 Ordinary Shares | 4,790 | Publishing Department | 700 |
| Less Calls in Arrear | 10 | Supply Department | 4,500 |
| | — | | — |
| | 4,780 | | 5,200 |
| 4,000 6% Pref. Shares of £5 each | 20,000 | Goodwill | — |
| Reserve Account | 3,000 | Sundry Debtors | 3,220 |
| Add Transfer from Profit and Loss Account | 2,000 | Less Reserve for Bad Debts | 500 |
| | — | | 2,720 |
| | — | | 190 |
| | 5,000 | Bills Receivable | 1,760 |
| Bills Payable | 2,200 | Cash at Bank | 90 |
| Sundry Creditors | 1,250 | Cash in hand | — |
| Managing Director's Commission | 64 | | 1,850 |
| <i>Profit and Loss Account—</i> | — | General Advertising Expenses | 6,000 |
| Balance available for distribution. | 3,511 | Less Amount written off, $\frac{1}{2}$ | 2,000 |
| | 7 | | — |
| | 36,806 | | — |
| | — | | 36,806 |

THE STAMBRIDGE PUBLISHING CO., LTD.

GENERAL PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Dr.

Cr.

| | £ | s. | d. | | £ | s. | d. | | £ | s. | d. |
|--|--------|----|----|-------------------------------|-------|----|----|--|--------|----|----|
| To Rents, Rates, and Taxes . . . | 400 | — | — | By Net Profit of Departments— | | | | | | | |
| " General Office Salaries . . . | 300 | — | — | Publishing | 3,280 | — | — | | | | |
| " Bank Charges | 10 | — | — | Supply | 5,030 | — | — | | | | |
| " Stationery | 80 | — | — | | | | | | 8,310 | — | — |
| " Insurance | 30 | — | — | | | | | | | | |
| " General Advertising Exps., ‡ | 2,000 | — | — | | | | | | | | |
| " General Expenses | 350 | — | — | | | | | | | | |
| " Managing Director's and Secretary's Salaries | 1,500 | — | — | | | | | | | | |
| " Travelling Expenses | 60 | — | — | | | | | | | | |
| " Reserve for Bad & Doubtful Debts | 500 | — | — | | | | | | | | |
| " Depreciation of Furniture, etc. | 94 | — | — | | | | | | | | |
| " Director's Fees | 400 | — | — | | | | | | | | |
| " Balance, Net Profit | 2,586 | — | — | | | | | | | | |
| | £8,310 | — | — | | | | | | £8,310 | — | — |

951

Dr.

APPROPRIATION ACCOUNT

Cr.

| | £ | s. | d. | | £ | s. | d. |
|--|--------|----|----|-----------------------------------|---|----|--------|
| To Managing Director's Commission, 2½% on £2,586 | 64 | 13 | — | By Balance, 1st Jan. | | | 4,120 |
| " Dividends Paid on Pref. Shares | 1,130 | — | — | " Current Year's Profit | | | 2,586 |
| " Reserve Account | 2,000 | — | — | | | | |
| " Balance to Balance Sheet | 3,511 | 7 | — | | | | |
| | £6,706 | — | — | | | | £6,706 |

EXERCISE XXVI—No. 34.

THE STAMBRIDGE PUBLISHING CO., LTD.

Dr. PUBLISHING TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | £ | s. | d. | | £ | s. | d. |
|--|-------|----|----|----------------------------|-------|----|----|
| To Stock, 1st Jan. | 800 | — | — | By Sales | 5,500 | — | — |
| " Paper and Printing | 4,250 | — | — | " Subscribers | 40 | — | — |
| " Engraving Blocks | 150 | — | — | " Advertisements | 4,100 | — | — |
| " Literary Contributions | 400 | — | — | " Stock, 31st Dec. | 700 | — | — |
| " Carriage | 140 | — | — | | | | |
| " Postage and Telegrams | 30 | — | — | | | | |
| " Advertising Expenses | 150 | — | — | | | | |
| " Trade Expenses | 110 | — | — | | | | |
| " Discounts | 10 | — | — | | | | |
| " Bad Debts | 20 | — | — | | | | |
| " Wages and Salaries | 500 | — | — | | | | |
| " Designs for Publications | 500 | — | — | | | | |
| " Balance, Ner Profit of Dept. | 3,280 | — | — | | | | |
| £ 10,340 | — | — | — | £ 10,340 | — | — | — |

950

Dr. SUPPLY TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19.. Cr.

| | £ | s. | d. | | £ | s. | d. |
|--|-------|----|----|----------------------------|--------|----|----|
| To Stock, 1st Jan. | 4,000 | — | — | By Sales | 17,000 | — | — |
| " Purchases | 9,000 | — | — | " Stock, 31st Dec. | 4,500 | — | — |
| " Carriage | 1,200 | — | — | | | | |
| " Trade Expenses | 150 | — | — | | | | |
| " Wages and Salaries | 1,500 | — | — | | | | |
| " Discounts | 30 | — | — | | | | |
| " Postages and Telegrams | 90 | — | — | | | | |
| " Designs for Publications | 500 | — | — | | | | |
| " Balance, Ner Profit of Dept. | 5,030 | — | — | | | | |
| £ 21,500 | — | — | — | £ 21,500 | — | — | — |

PHILLIPS & THOMAS, LTD.

BALANCE SHEET AS AT 31ST DECEMBER, 19...

[illegible]

EXERCISE XXVI—No. 33 (*contd.*).

PHILLIPS & THOMAS, LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19...

Cr.

| | | | | | | | | | | |
|---|-------|----|----|--------|----|----|----------------------------------|-------|----|----|
| To Trade Expenses. | £ | s. | d. | £ | s. | d. | By Trading Account | £ | s. | d. |
| Salaries | 246 | 5 | 4 | 246 | 5 | 4 | Discounts Received | 6,337 | 11 | 11 |
| Bad Debts | 189 | 5 | 3 | 942 | 15 | 3 | " Bank Interest | 842 | 5 | 4 |
| Add Bad Debts accrued | 150 | — | — | 339 | 5 | 3 | Add Amount accrued | 7 | 10 | — |
| Legal Expenses | 146 | 5 | 4 | 17 | 9 | 5 | " Appreciation of Models | 31 | 15 | 6 |
| Rates and Taxes | 15 | — | — | — | — | — | " Rent Received (House) and Due. | 50 | — | — |
| Less Rates prepaid | — | — | — | — | — | — | | 20 | — | — |
| Travelling Expenses (including £24/15/2 from P.C.B.) | 131 | 5 | 4 | 242 | 19 | 5 | | | | |
| Repairs (including £27/18/5 from P.C.B.) | 242 | 19 | 5 | 186 | 3 | 4 | | | | |
| Discounts Allowed | 2,035 | 4 | 2 | 76 | 9 | 8 | | | | |
| Insurance | 63 | 4 | 9 | 361 | 11 | 2 | | | | |
| Subscriptions and Donations | 52 | 5 | 7 | 14 | 3 | 7 | | | | |
| Horse-keep and Cartage (incl. £15/5/7 from P.C.B.) | 160 | — | — | 346 | — | — | | | | |
| Bank Commission | 287 | 5 | 3 | — | — | — | | | | |
| Sundry Expenses | — | — | — | — | — | — | | | | |
| Interest on Mortgage | — | — | — | — | — | — | | | | |
| Bad Debts Reserve (estimated) | — | — | — | — | — | — | | | | |
| " Discount Reserve on Debtors (5% of £5,745/5/4) | — | — | — | — | — | — | | | | |
| Depreciation— | — | — | — | — | — | — | | | | |
| Frehold Factory (1% of £5,800) | 58 | — | — | — | — | — | | | | |
| Extensions to Factory (25% of £3,440) | 110 | — | — | — | — | — | | | | |
| Machinery and Plant { (5% of £2,164) } { (5% of £2,10) } | 120 | 4 | — | — | — | — | | | | |
| Engine and Boiler (10% of £560) | 56 | — | — | — | — | — | | | | |
| Balance c/d, Net Profit | — | — | — | 344 | 4 | — | | | | |
| | | | | 1,434 | 11 | 3 | | | | |
| | | | | £7,281 | 2 | 9 | | | | |

 $D_Y.$

APPROPRIATION ACCOUNT

Cy

| | <i>f</i> | <i>s.</i> | <i>d.</i> | | <i>f</i> | <i>s.</i> | <i>d.</i> |
|--|--------------|-----------|-----------|-------------------------------------|--------------|-----------|-----------|
| To Interim Dividend Paid on Preference Shares, | 240 | — | — | By Current Year's Profit, | 1,434 | 11 | 3 |
| " Balance to Balance Sheet | 1,194 | 11 | 3 | | 1,434 | 11 | 3 |
| | <u>1,434</u> | <u>11</u> | <u>3</u> | | <u>1,434</u> | <u>11</u> | <u>3</u> |

EXERCISE XXVI—No. 33.

PHILLIPS & THOMAS, LTD.

Dr. TRADING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | | | | | | | | | | | | | |
|-----------------------------------|--------|----|----|--------|----|----|--------------------------------|--------|----|----|--------|----|----|
| To Stock, 1st Jan. | £ | s. | d. | £ | s. | d. | By Sales | £ | s. | d. | £ | s. | d. |
| " Purchases | 37,960 | 3 | 7 | 8,215 | 5 | 4 | Less Returns Inwards | 51,870 | 5 | 4 | 51,703 | 17 | - |
| " Cash Purchases. | 33 | 9 | 2 | | | | " Stock, 31st Dec. | 166 | 8 | 4 | 7,346 | 15 | 7 |
| | 37,993 | 12 | 9 | | | | | | | | | | |
| Less Returns Outwards | 85 | 14 | 9 | 37,907 | 18 | - | | | | | | | |
| | | | | 5,878 | 2 | 7 | | | | | | | |
| " Wages | | | | | | | | | | | | | |
| " Coal and Coke | 768 | 4 | 9 | 712 | 4 | 9 | | | | | | | |
| Less Amount in hand | 56 | - | - | 6,337 | 1 | 11 | | | | | | | |
| " Balance, Gross Profit | | | | 59,050 | 12 | 7 | | | | | | | |
| | | | | | | | | | | | | | |

EXERCISE XXVI—No. 32.

F. SAUNDERS'S STATEMENT OF AFFAIRS AT DATE OF RECEIVING ORDER

| Gross Liabilities. | | LIABILITIES. | Expected to Rank. | | ASSETS. | Estimated to Produce. | |
|--------------------|--------------|----------------------------------|-------------------|--------------|--------------------------------------|-----------------------|--------------|
| <i>f.</i> | <i>s. d.</i> | | <i>£</i> | <i>s. d.</i> | | <i>£</i> | <i>s. d.</i> |
| 3,700 | — | Unsecured Creditors A . | 3,700 | — | Property H— | | |
| 2,500 | — | Partly-secured Creditors B . | 2,500 | — | Cash . | 1,000 | — |
| | | Value of Security . | 3,500 | — | Stock . | — | — |
| | | Surplus to contra . | £1,000 | — | Machinery . | 900 | — |
| 3,000 | — | Partly-secured Creditors C . | 3,000 | — | Fixtures . | 300 | — |
| | | Value of Security . | 1,000 | — | | | |
| 250 | — | Liability on Bills discounted D | | | Total as List H . | | |
| 120 | — | Creditors for Rent F . | 120 | — | Surplus from List B, as per contra . | | |
| 20 | — | Preferential Creditors G— | | | Book Debts I— | | |
| 50 | — | Rates and Taxes . | | | Good . | 220 | — |
| | | Wages and Salaries . | 70 | — | Doubtful . | 120 | — |
| | | | | | Bad . | | |
| | | Deducted in full as per contra . | £190 | — | | £340 | — |
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The estate can pay $\frac{£3,100}{£5,950} = 10\text{s. } 5\text{d. in } £.$

EXERCISE XXVI—No. 31 (cont.).

TRADING AND PROFIT AND LOSS ACCOUNT

Dr.

FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | | | | | |
|--------------------------------------|----|-----------------|------------------------|----|-----------------|
| To Stock, 1st Jan. | \$ | 5,085 | By Sales, 31st Dec. | \$ | 35,806 |
| " Purchases | . | 17,846 | " Stock, 31st Dec. | . | 5,025 |
| " Balance, Gross Profit c/d | . | 17,900 | | | |
| | | <u>\$40,831</u> | | | <u>\$40,831</u> |
| To General Expenses | . | 7,601 | By Trading Account b/d | . | 17,900 |
| " Balance, Net Profit to Head Office | . | 10,717 | " Discounts Received | . | 418 |
| Profit and Loss Account | | <u>\$18,318</u> | | | <u>\$18,318</u> |

| | | | | | |
|---------------------|---|-----------------|----------------|---|-----------------|
| Liabilities. | | \$ | Assets. | | \$ |
| Sundry Creditors | . | 2,062 | Cash | . | 460 |
| Head Office Account | . | 29,319 | Bank | . | 5,450 |
| | | <u>\$31,381</u> | | | <u>\$31,381</u> |
| | | | Sundry Debtors | . | 17,710 |
| | | | Stock | . | 5,025 |
| | | | Fixtures | . | 2,736 |

BALANCE SHEET AS AT 31ST DECEMBER, 19..

BRANCH TRADING ACCOUNT

[illegible]

BRANCH PROFIT AND LOSS ACCOUNT

[illegible]

BALANCE SHEET AS AT 31ST DECEMBER, 19..

| LIABILITIES. | | 1906. | | 1907. | |
|------------------|-------------------|-------------------|----|-------|---|
| Sundry Creditors | £ 412 8 | £ 412 8 | 11 | 3 | 3 |
| Branch Account | 5,879 | 5,879 | 11 | 3 | 3 |
| | <u>£ 6,291 19</u> | <u>£ 6,291 19</u> | | | |
| Assets. | | | | | |
| Cash | 1,090 | 1,090 | 19 | 3 | 3 |
| Bank | 562 | 562 | 19 | 3 | 3 |
| Sundry Debtors | 1,005 | 1,005 | 19 | 3 | 3 |
| Stock | 3,542 | 3,542 | 19 | 3 | 3 |
| Furniture | 1,182 | 1,182 | 19 | 3 | 3 |
| | <u>£ 6,291 19</u> | <u>£ 6,291 19</u> | | | |

CHICAGO BRANCH LEDGER

| | | | |
|---------------|-------------------|-----------|--------------------------------------|
| Jan.-Dec. 19. | To Cash | \$ 14,000 | |
| | | | By Transfer to Head Office |
| | | | Dec. 31 19. |
| | | \$ 14,000 | |

HEAD OFFICE ACCOUNT

| | | | | | |
|-----|---------|--------------------------------------|--------|----------|----------|
| 19. | Dec. 31 | To Transfer from Remittances Account | 14,000 | | |
| | | " Balance c/d | 29,319 | \$43,319 | |
| | | | | | \$43,319 |
| 19. | Dec. 31 | By Balance. | | | |
| | | " Profit and Loss Account. | | | |
| | | (Net gain) | | | |
| | | | | | \$32,602 |
| | | | | | 10,717 |
| | | | | | \$43,319 |

EXERCISE XXXVI—No. 31 (cont.).

TRADING AND PROFIT AND LOSS ACCOUNT

Dr.

FOR THE YEAR ENDED 31ST DECEMBER, 19..

Cr.

| | | | | | | |
|--------------------------------------|----|----------|------------------------|---------------------|--------|----------|
| To Stock, 1st Jan. | \$ | 5,085 | By Sales. | By Stock, 31st Dec. | \$ | 85,806 |
| " Purchases | . | 17,846 | " | " | . | 5,025 |
| " Balance, Gross Profit c/d | . | 17,900 | " | " | . | \$40,831 |
| | | \$40,831 | | | | |
| To General Expenses | . | 7,601 | By Trading Account b/d | . | 17,900 | |
| " Balance, Net Profit to Head Office | . | 10,717 | " Discounts Received | . | 418 | |
| " Profit and Loss Account | . | \$18,318 | | | | \$18,318 |

| | | | | | | | | | |
|---|---|---|---|---|---------|---|---|---|-------|
| BALANCE SHEET AS AT 31ST DECEMBER, 19.. | | | | | | | | | |
| LIABILITIES. | | | | | ASSETS. | | | | |
| Sundry Creditors | . | . | . | . | Cash | . | . | . | \$ |
| Head Office Account | . | . | . | . | Bank | . | . | . | 5,450 |
| | | | | | | | | | \$ |
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BALANCE SHEET AS AT 31ST DECEMBER, 19..

EXERCISE XXVI—No. 31 (contd.).

| Dr. | | | | | | | | | | Cr. | | | | | | | | | |
|------------------------|--|--|--|--|----------------|--|--|--|--|------------------------|--|--|--|--|----------------------------|--|--|--|--|
| BRANCH TRADING ACCOUNT | | | | | | | | | | | | | | | | | | | |
| 19. Dec. 31 | | | | | To Branch A/c— | | | | | Stock Purchases | | | | | Branch Profit and Loss A/c | | | | |
| f | | | | | 1,046 | | | | | 3,627 | | | | | 3,609 | | | | |
| s. d. | | | | | 5 11 | | | | | 4 8 | | | | | 2 3 | | | | |
| 12 10 | | | | | 8,282 | | | | | 12 10 | | | | | | | | | |
| 19. Dec. 31 | | | | | By Branch A/c— | | | | | Sales Stock, 31st Dec. | | | | | f | | | | |
| 7,277 | | | | | 1,005 | | | | | 7,277 | | | | | 8,282 | | | | |
| 12 10 | | | | | - | | | | | - | | | | | 12 10 | | | | |

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|----------------|--------------------------------|--------|----|---|--|--|--|--|--|--|-----|
| Dr. | BRANCH PROFIT AND LOSS ACCOUNT | | | | | | | | | | Cr. |
| 19. Dec. 31 | To Branch A/c | | | | | | | | | | |
| | General Expenses. | 1,544 | 18 | 4 | | | | | | | |
| | Net Profit to Head Office. | 2,163 | 3 | 8 | | | | | | | |
| | | £3,708 | 2 | - | | | | | | | |
| 19. Dec. 31 | By Branch Trading A/c | | | | | | | | | | |
| | " Branch A/c | | | | | | | | | | |
| | Discounts Received | 84 | 19 | 2 | | | | | | | |
| | Difference in Ex- change | 14 | - | 7 | | | | | | | |
| | | £3,708 | 2 | - | | | | | | | |

BALANCE SHEET AS AT 31ST DECEMBER, 19.

[illegible]

CHICAGO BRANCH LEDGER

| | | | | | |
|-----------|------------------------------|---|---|-----------|------------------------------|
| Dr. | REMITTANCES FROM HEAD OFFICE | | | | Cr. |
| 19..-Dec. | To Cash . | . | . | 14,000 | By Transfer to Head Office . |
| | | | | \$ 14,000 | |
| | | | | 19.. | |
| | | | | Dec. 31 | |

[illegible]

JOURNAL ENTRIES

[illegible]

HEAD OFFICE LEDGER

| | | |
|----------|---------------------------------|---------|
| Dr. | REMITTANCES FROM BRANCH ACCOUNT | Cr. |
| 19.. | To Branch A/c | Dec. 31 |
| 2. | | |
| 786 | | |
| s. d. | | |
| 6 11 | | |
| Jan. 19. | By Cash | |
| 2,786 | | |
| s. d. | | |
| 6 11 | | |

[illegible]

EXERCISE XXVI—No. 29.

See *Advanced Accounts*, page 151 (under appropriate headings).

EXERCISE XXVI—No. 30.

The financial position of a concern is gauged according to the position in which an individual stands toward the concern whose balance sheet is the subject of examination.

floating (or circulating) assets are adequate to meet its current liabilities or, to put it another way, the ability of a concern to meet its liabilities on a forced realization.

(b) *A shareholder* considers a concern financially sound upon whilst it can maintain its capacity to earn profits, and betrays no apparent embarrassment as regards the relation between its liabilities and the adequacy of assets to meet them.

(c) A *debenture holder* considers a concern financially sound according to the liquidity of its available assets.

(2) An auditor takes a more exact view of matters in determining the financial position of a concern. An auditor will closely examine the individual items, both assets and liabilities, their evaluation being arrived at after searching investigation of relevant documents. A sound financial position, after a close study of all important matters has been carried out, is presumed on the following factors—

- (1) Fixed assets are maintained at their full earning valuations.
- (2) Floating or circulating assets are adequate to meet floating liabilities.
- (3) Reserves have been created which are sufficient for contingent and future liabilities without impairing the general financial soundness of the concern.

EXERCISE XXVI—No. 31.

CONVERTED CHICAGO TRIAL BALANCE

| Rate of Exchange. | | Profit on Exchange. | |
|-------------------|---|---------------------|---|
| 14.291 | 1 | 14.291 | 1 |
| 15 | 1 | 15 | 1 |
| 16 | 1 | 16 | 1 |
| 17 | 1 | 17 | 1 |
| 18 | 1 | 18 | 1 |
| 19 | 1 | 19 | 1 |
| 20 | 1 | 20 | 1 |
| 21 | 1 | 21 | 1 |
| 22 | 1 | 22 | 1 |
| 23 | 1 | 23 | 1 |
| 24 | 1 | 24 | 1 |
| 25 | 1 | 25 | 1 |
| 26 | 1 | 26 | 1 |
| 27 | 1 | 27 | 1 |
| 28 | 1 | 28 | 1 |
| 29 | 1 | 29 | 1 |
| 30 | 1 | 30 | 1 |
| 31 | 1 | 31 | 1 |
| 32 | 1 | 32 | 1 |
| 33 | 1 | 33 | 1 |
| 34 | 1 | 34 | 1 |
| 35 | 1 | 35 | 1 |
| 36 | 1 | 36 | 1 |
| 37 | 1 | 37 | 1 |
| 38 | 1 | 38 | 1 |
| 39 | 1 | 39 | 1 |
| 40 | 1 | 40 | 1 |
| 41 | 1 | 41 | 1 |
| 42 | 1 | 42 | 1 |
| 43 | 1 | 43 | 1 |
| 44 | 1 | 44 | 1 |
| 45 | 1 | 45 | 1 |
| 46 | 1 | 46 | 1 |
| 47 | 1 | 47 | 1 |
| 48 | 1 | 48 | 1 |
| 49 | 1 | 49 | 1 |
| 50 | 1 | 50 | 1 |
| 51 | 1 | 51 | 1 |
| 52 | 1 | 52 | 1 |
| 53 | 1 | 53 | 1 |
| 54 | 1 | 54 | 1 |
| 55 | 1 | 55 | 1 |
| 56 | 1 | 56 | 1 |
| 57 | 1 | 57 | 1 |
| 58 | 1 | 58 | 1 |
| 59 | 1 | 59 | 1 |
| 60 | 1 | 60 | 1 |
| 61 | 1 | 61 | 1 |
| 62 | 1 | 62 | 1 |
| 63 | 1 | 63 | 1 |
| 64 | 1 | 64 | 1 |
| 65 | 1 | 65 | 1 |
| 66 | 1 | 66 | 1 |
| 67 | 1 | 67 | 1 |
| 68 | 1 | 68 | 1 |
| 69 | 1 | 69 | 1 |
| 70 | 1 | 70 | 1 |
| 71 | 1 | 71 | 1 |
| 72 | 1 | 72 | 1 |
| 73 | 1 | 73 | 1 |
| 74 | 1 | 74 | 1 |
| 75 | 1 | 75 | 1 |
| 76 | 1 | 76 | 1 |
| 77 | 1 | 77 | 1 |
| 78 | 1 | 78 | 1 |
| 79 | 1 | 79 | 1 |
| 80 | 1 | 80 | 1 |
| 81 | 1 | 81 | 1 |
| 82 | 1 | 82 | 1 |
| 83 | 1 | 83 | 1 |
| 84 | 1 | 84 | 1 |
| 85 | 1 | 85 | 1 |
| 86 | 1 | 86 | 1 |
| 87 | 1 | 87 | 1 |
| 88 | 1 | 88 | 1 |
| 89 | 1 | 89 | 1 |
| 90 | 1 | 90 | 1 |
| 91 | 1 | 91 | 1 |
| 92 | 1 | 92 | 1 |
| 93 | 1 | 93 | 1 |
| 94 | 1 | 94 | 1 |
| 95 | 1 | 95 | 1 |
| 96 | 1 | 96 | 1 |
| 97 | 1 | 97 | 1 |
| 98 | 1 | 98 | 1 |
| 99 | 1 | 99 | 1 |
| 100 | 1 | 100 | 1 |

EXERCISE XXVI—No. 24.

(a) *Floating Assets* are assets held for purposes of trading, such as Stocks, Debtors, Bills, etc.
 (b) *Fixed Assets* are assets acquired for purposes of earning income, such as Plant and Machinery, Horses and Vans, etc.
 (c) *Preliminary Expenses* are expenses incurred on the flotation of a company, such as Legal Expenses, Stationery, Advertising, etc.
 (d) *Self-balancing Ledgers* are ledgers which are made capable of producing a Trial Balance independently. The Trial Balance is possible by the introduction of an Adjustment Account, which in its nature is a total account showing the aggregate of transactions, only on opposite sides to the balance in the Ledger being proved.
 (e) *Watering of Stock* means that the nominal value of the Capital of a company has been increased without the corresponding increase in receipts from shareholders.
 (f) *Allonge* is a slip of paper attached to Bills of Exchange for further endorsements.

EXERCISE XXVI—No. 25.

A *Cumulative Preference Share* is one which carries with it a prior consideration for a dividend—or share of the profit; also a right to arrears on dividends out of future profits.
 The arrears on dividends referred to do not affect the annual accounts of a company, but a memorandum to that effect may be shown in the Balance Sheet.

EXERCISE XXVI—No. 26.

See *Advanced Accounts*, page 830, for Specimen of Cost Sheet of a manufacturer.

EXERCISE XXVI—No. 27.

See *Advanced Accounts*, page 981 (under "Difference between a Statement of Affairs and a Balance Sheet").

EXERCISE XXVI—No. 28.

The adjustments necessary to show the correct position of the Birchets Mineral Water Co., Ltd., with their customers would be as follows—

| | | | | | | | | | |
|------|---|---|--|--|--|--|--|--|--|
| 19.. | (1) Sale or Return Account. To Sundry Debtors. To reduce the charge for supplies of minerals to actual amount supplied. | (2) Provision for Discount on Debtors. To Discount Reserve on Debtors. Charge against profits of sum equal to agreed 10% discount due to customers when accounting for sales. | | | | | | | |
|------|---|---|--|--|--|--|--|--|--|

The above entries properly incorporated in accounts will present the true position of debtors.

EXERCISE XXVI—No. 22.

SPECIMEN OF COMBINED SALES AND BOUGHT JOURNAL

| Date. | Particulars. | Fol. | Dr. | Cr. | Bought Book. | Sales Book. |
|-------|--------------|------|------------|------------|--------------|-------------|
| 19.. | | | f s. d. | f s. d. | f s. d. | f s. d. |

SPECIMEN OF CASH BOOK

(CREDIT SIDE)

| Date. | Particulars. | Fol. | Discount. | Cash. | Bank. | Creditors' Ledger. | General Ledger. |
|-------|--------------|------|------------|------------|------------|--------------------|-----------------|
| 19.. | | | f s. d. | f s. d. | f s. d. | f s. d. | f s. d. |

(DEBIT SIDE)

| Date. | Particulars. | Fol. | Discount. | Details. | Bank. | Sales Ledger. | General Ledger. |
|-------|--------------|------|------------|------------|------------|---------------|-----------------|
| 19.. | | | f s. d. | f s. d. | f s. d. | f s. d. | f s. d. |

EXERCISE XXVI—No. 23.

The books of account deemed necessary, and the allocation of duties in connection with them, would be as follows—

*Books**Member of Staff*

Cash Book
General Ledger
Private Ledger } Chief Clerk or firm's Accountant

Purchases Book
Sales Book
Purchases and Sales Ledgers } Senior Clerk

Wages Book
Petty Cash Book } Junior Clerk

The Junior Clerk subject to supervision by Chief Clerk.
The Senior Clerk subject to supervision by Chief Clerk, who would advise generally on detail work of office.

(p.)

| | | |
|------------|---------------------------|------------|
| <i>Dy.</i> | BANKER'S DISCOUNT ACCOUNT | <i>Cy.</i> |
| 19.. | f s. d. | |
| Mar. 1 | 2 16 3 | |
| To Cash | . | |

| | | |
|--|--|--|
| <i>Dx.</i> | P. PENSLEY | <i>Cy.</i> |
| <div style="float: right; width: 60px;">19..</div> Mar. 1 To Bills Payable . | <div style="float: right; width: 60px;">19..</div> Mar. 1 By Bills Receivable . | <div style="float: right; width: 60px;"></div> Cr. |
| <div style="text-align: right;"> $\frac{\\$}{250}$ s. - d. </div> | <div style="text-align: right;"> $\frac{\\$}{250}$ s. - d. </div> | |

| | | |
|-------------|-------------------------|---------------|
| <i>Dy.</i> | BILLS PAYABLE ACCOUNT | <i>Cr.</i> |
| 19.. June 4 | To Cash | f 250 |
| | By P. Pensley | s. - d. |
| | Mar. 1 19.. | - f 250 |

| | | |
|---------|---------------------------|-----|
| Dr. | BANKER'S DISCOUNT ACCOUNT | Cy. |
| 19.. | 5 | |
| Mar 1 | s. d. | |
| To Cash | 2 16 3 | |
| . | . | |
| . | . | |
| . | . | |

[illegible]

EXERCISE XXVI—No. 19.

RETURN FOR INCOME TAX

| Net Profit as Profit and Loss Account | | Add Deductions NOT Allowed— | | Income Tax on Business Premises | | Life Assurance Premium | | Interest on Capital | | Ground Rent | | Less Dividends (taxed) | | Rent of Premises | | Taxable Profit | |
|---------------------------------------|-----|-----------------------------|----|---------------------------------|----|------------------------|-----|---------------------|-----|-------------|------|------------------------|--|------------------|--|----------------|--|
| £ | 780 | 55 | 15 | 40 | 75 | 185 | 965 | 60 | 220 | 280 | £685 | | | | | | |

COMMENTS

The above Return is based on the conclusions that—

- (1) Travelling Expenses of Staff and Proprietor were incurred in the prosecution of matters concerned with the business; and
- (2) Bank Interest was on a temporary overdraft, or other bank accommodation, and not being "annual" interest.
- (3) The Rent of Premises being *not* assessment as for Schedule A, and calculated on Income Tax at 5s, i.e. $£55 \times 4 = £220$.

EXERCISE XXVI—No. 20.

The wages calculations should be made by a wages clerk and recorded in the Wages Book. A cheque should be drawn for the total wages payable and, when cashed, the wages packets made up. On paying wages, a responsible person should make the distribution, the foreman of each department being present when the men in his shop are being paid. The payments should be attested by the person distributing and the respective foremen. The duties of wages clerk should, at various times, be performed by different persons, in order to eliminate, as far as possible, collusion between the wages clerk and employees. The time sheets of employees should be vouched by shop foremen before wages calculations are made. An occasional check on the wages calculations may be made at unspecified times with a view to preventing fraud.

EXERCISE XXVI—No. 21.

P. PENSLEY'S LEDGER

| Dr. | | R. RUBBLE | | Cr. | | | |
|-----|--------|------------------|-------|-----|--------|---------------------|-------|
| 19. | Mar. 1 | To Bills Payable | £ 250 | 19. | Mar. 1 | By Bills Receivable | £ 250 |
| | | | s. d. | | | | s. d. |
| | | | - | | | | - |

| Dr. | | BILLS RECEIVABLE ACCOUNT | | Cr. | | | |
|-----|--------|--------------------------|-------|-----|--------|---------|-------|
| 19. | Mar. 1 | To R. Rubble | £ 250 | 19. | Mar. 1 | By Cash | £ 250 |
| | | | s. d. | | | | s. d. |
| | | | - | | | | - |

EXERCISE XXVI—No. 16.

RETURN FOR INCOME TAX

| Net Profit as Profit and Loss A/c | | | And Deductions not Allowed— | | | Interest on Loan | | | Interest on Partners' Capital | | | Partner's Salary | | | Amount without Goodwill. | | | Charitable Subscriptions | | |
|-----------------------------------|----|----|-----------------------------|-----|----|------------------|----|----|-------------------------------|----|----|------------------|----|----|--------------------------|----|----|--------------------------|----|----|
| £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
| 25 | — | — | — | — | — | 80 | — | — | — | — | — | 350 | — | — | 50 | — | — | — | — | — |
| 28 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| 533 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| £1,510 | — | — | £ | 977 | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |

The firm will be assessed on £1,510, subject to the usual abatements and reliefs to Partners. Wear and Tear (if any) would be deducted from above figure.

EXERCISE XXVI—No. 17.

RETURN FOR INCOME TAX

| Earned Income | | Unearned Income (War Loan Interest) | | Deductions— | | Earned Income Relief (1b) | | Wife and Self Allowance | | Children's Allowance (2) | | Dependent Relative Allowance | | Taxable Income | |
|---------------|----|-------------------------------------|----|-------------|----|---------------------------|----|-------------------------|----|--------------------------|----|------------------------------|----|----------------|----|
| £ | s. | £ | s. | £ | s. | £ | s. | £ | s. | £ | s. | £ | s. | £ | s. |
| 750 | — | 100 | — | 75 | — | 140 | — | 100 | — | 25 | — | 340 | — | 7510 | — |

The taxpayer is entitled to an abatement from the tax chargeable for his payment of £20 Insurance premium.

EXERCISE XXVI—No. 18.

RETURN FOR INCOME TAX

| Total Income from all Sources | | Deductions— | | Earned Income Relief (Maximum to A and B) | | Personal Allowance, B | | Wife and Self Allowance, A | | Taxable Income | |
|-------------------------------|----|-------------|----|---|----|-----------------------|----|----------------------------|----|----------------|----|
| £ | s. | £ | s. | £ | s. | £ | s. | £ | s. | £ | s. |
| 8,808 | — | 300 | — | 80 | — | 140 | — | 520 | — | 8,288 | — |

There will be an allowance for A on the insurance premiums for A and his wife.

EXERCISE XXVI—No. 12.

(i) The reserve for income tax should be made by apportioning on a time basis the tax payable on the two assessments falling within the company's financial year.

Taking the company's year ended 31st December, 1936, the assessments falling within that year are 1935-6 from 1st January, 1936, to 5th April, 1936, and 1936-7 from 5th April, 1936, to 31st December, 1936. In determining the liability, the ground-rent and debenture interest would fall to be added back to the profits stated, but the net Schedule A assessment on the property on which the ground-rent is paid should be deducted therefrom. Assessments would arise under both Schedule D and Schedule A, both of which should be apportioned on the basis stated above. As the tax for 1936-7 is not payable until 1st January, 1937, the apportioned tax owing should be reserved for on 31st December, 1936. The tax recoverable by deduction on the ground-rent, debenture interest, and dividends does not affect the reserve, but merely the amount of tax to be charged against profits. (ii) The deduction of expenses wholly, exclusively, and necessarily incurred in the performance of duties, the emoluments for which are assessed under Schedule E, may be deducted from the emoluments to be assessed, but, in practice, the taxpayer is usually required to establish the right to such deductions at considerably greater trouble than is called for under Schedule D.

EXERCISE XXVI—No. 13.

Robert Laws may appeal on (a) and (d). The question of depreciation is now more closely examined by an Inspector of Taxes as circumstances which determine the allowance in regard to it are not the same in all cases, and an appeal would receive consideration. If the subscription to a local hospital was in the nature of a donation to the institution for purposes of securing treatment to his own employees, the contribution would be allowed.

EXERCISE XXVI—No. 14.

The items enumerated are dealt with as under—

- (a) 5 per cent on *Sundry Debtors* is disallowed and would be added back.
- (b) *Deposit Interest* would remain as a *credit* item in the Account.
- (c) *Dividends received on an issue of shares* would not appear in the account, being an item of a strictly "capital" nature.
- (d) *Losses by embargement* would be disallowed, and added back, presuming, of course, an item for "premium" on a third party policy was already in the account. Otherwise, the item would be the subject of careful consideration by the Inspector of Taxes before being allowed as a charge against profits.

EXERCISE XXVI—No. 15.

Items (a) and (d) are items of a "capital" nature and do not affect the Profit and Loss Account.

Preliminary Expenses are not viewed as a business expense, and would be added back.

Depreciation of Steamers is allowed by the Income Tax authorities at 4 per cent on "Prime Cost." Therefore, if 5 per cent is charged on "Prime Cost" the difference in charge between the percentages must be added back.

EXERCISE XXVI—No. 10.

Details of items not allowed as charges against profit when making an adjustment of the Profit and Loss Account for Income Tax purposes are enumerated on pages 1147 and 1148 of *Advanced Accounts* (under "Rules for Calculating Profits").

NOTE. The question of items allowed (or not allowed) is now a subject much within the discretion of the Inspector examining accounts submitted.

EXERCISE XXVI—No. 11.

STATEMENT SHOWING ALLOCATION OF ASSESSABLE PROFIT
BETWEEN PARTNERS

| Interest on Capital | | Partnership Salaries | | Share of Assessable Profit divisible equally between partners | |
|---------------------|--------|----------------------|--------|--|--------|
| £150 | 300 | £600 | 1,200 | £750 | 1,500 |
| £200 | 400 | £250 | 500 | £750 | 1,500 |
| £600 | 1,200 | £1,800 | 3,600 | £7,200 | 14,400 |
| £9,000 | 18,000 | £9,000 | 18,000 | £9,000 | 18,000 |
| Total | | Total | | Total | |
| K | | J | | B | |

FIRM'S ASSESSMENT

| Assessable Profit. | | Deductions— | | Earned Income Relief (Maximum to each Partner). | | Personal Allowance (£80 to each Partner) | | Taxable Income | |
|--------------------|-------|-------------|-----|---|-----|---|-----|----------------|--|
| £ | 9,000 | £ | 450 | £ | 240 | £ | 690 | £8,310 | |
| K | | J | | B | | Total | | Total | |

PARTNERS' LIABILITY

| Share of Assessable Profit | | Each Partner— | | Earned Income Relief | | Personal Allowance | | Taxable Income | |
|----------------------------|-------|---------------|-------|----------------------|-----|--------------------|-------|----------------|--|
| £ | 2,850 | £ | 3,000 | £ | 230 | £ | 2,770 | £2,920 | |
| £ | 230 | £ | 230 | £ | 230 | £ | 230 | £2,770 | |
| K | | J | | B | | Total | | Total | |

| Item | If Allowed | Reasons |
|--|-----------------------------|---|
| Income tax. | No. | It is not an expense of running the business, but an amount payable out of profits, when ascertained. |
| Loss on sale of motor car. | Yes, in some circumstances. | If the car is replaced by another the amount of the actual loss less wear and tear already given is allowed if the replacement cost is not less than such sum, as it is a working loss on plant. If the car is not replaced the loss is not allowed, as it is a capital loss. |
| Debtenture interest. | No. | Tax must be paid and deducted on payment of the interest, the company thus not bearing the tax, but the debenture holders, to whom the interest is income. |
| Depreciation of plant. | No. | This is a capital loss, but in the case of plant a wear and tear claim can be made. These are an expense of running the business, and represent moneys paid for services rendered. |
| Donation to the building fund of a hospital. | No. | This is not a cost of working the business, but merely a charitable donation |
| Premium on loss of profits policy. | No. | This is not regarded as necessary for working a business, but is paid for an indemnity against loss of profits. If, however, an undertaking is given to bring in for assessment any sums received under such a policy premiums will be allowed. |
| Deductions by cashier. | Yes. | Such a loss is a normal trading risk, and therefore a normal trading loss. |

| | | | | | | |
|-----------------------|---|---|---|---|---|---|
| Earned income relief | . | . | . | . | . | . |
| (Max. £150) | . | . | . | . | . | . |
| one-tenth | . | . | . | . | . | . |
| Personal Allowance— | . | . | . | . | . | . |
| married man | . | . | . | . | . | . |
| single person | . | . | . | . | . | . |
| Children's allowance | . | . | . | . | . | . |
| Housekeeper allowance | . | . | . | . | . | . |
| £750 | . | . | . | . | . | . |
| each | . | . | . | . | . | . |
| £50 | . | . | . | . | . | . |
| £80 | . | . | . | . | . | . |
| £140 | . | . | . | . | . | . |

Examples of Income Tax Returns showing allowances, reliefs, etc., as required in the question are on pages 150-1-2 of *Advanced Accounts*.

[illegible][illegible]

The method described in the question is not considered to be correct, as the result is that tax for the period from 5th April, 1934, to 5th April, 1935, is

EXERCISE XXV—No. 16.

Dr. TRADING AND PROFIT AND LOSS ACCOUNTS OF BROWN, JONES, AND SMITH
FOR THE YEAR ENDED 31ST MARCH, 1937

Cr.

| | Brighton | London | Total | | Brighton | London | Total |
|--|----------|----------|----------|---|----------|----------|----------|
| To Stock, 1st April, 1936 | £ | £ | £ | By Sales | £ | £ | £ |
| " Purchases | 16,785 | 7,390 | 7,390 | " Stock, 31 March, 1937 | 19,328 | 92,064 | 111,392 |
| " Gross Profit carried to Section II | 4,905 | 18,440 | 23,345 | | 2,362 | 9,041 | 11,403 |
| | £21,690 | £101,105 | £122,795 | | £21,690 | £101,105 | £122,795 |
| To General Salaries and Wages | 1,830 | 6,195 | 8,025 | By Gross Profit brought from Section I | | | 23,345 |
| " Manager's Salary | 400 | 2,200 | 400 | " Discounts | 4,905 | 18,440 | 242 |
| " Trade and Office Expense | 917 | 3,664 | 2,600 | | 38 | 204 | |
| " Insurance | 32 | 160 | 4,581 | | | | |
| " Travelling Expenses | 28 | 145 | 192 | | | | |
| " Bad Debts | 92 | 381 | 174 | | | | |
| " Depreciation of Motor Vans | 550 | 1,230 | 463 | | | | |
| " Depreciation of Furniture and Equipment | 85 | 370 | 1,800 | | | | |
| " Interest Charge in respect of Capital employed | 35.4 | 127 | 455 | | | | |
| " Manager's Commission | 127 | 4,269 | 35.4 | | | | |
| " Net Trading Profit carried to Section III | £4,943 | £18,644 | £23,587 | | £4,943 | £18,644 | £23,587 |
| | | | | | | | |
| To Interest on Capital— | | | | By Net Trading Profit from Section I— | | | |
| Brown | | 780 | | London Branch | | 4,269 | 4,396 |
| Jones | | 460 | | Brighton Branch | | 127 | |
| Smith | | 110 | | | | | |
| | | | 1,350 | " Interest on Capital employed at Brighton Branch | | | 35.4 |
| Net Profit— | | | | | | | |
| Brown | | 1,838 | | | | | |
| Jones | | 1,292 | | | | | |
| Smith | | 170 | | | | | |
| | | | £4,750 | | | | £4,750 |

EXERCISE XXV—No. 14 (cont.).

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| 19. | Mar. 31 | To Balance, brought down | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | . | .</ |
|-----|---------|--------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|-----|

The difference might arise from—

- (a) The extraction of a balance being made at £10 below the actual amount.
 (b) An addition on the debit side of a Personal Account having been made £10 too little, the Account being balanced, and the balance carried down £10 below the true amount.
 These are the most likely errors. The difference may also arise from—
 (c) The omission to post an item of £10 from the Sales Day Book, or the posting of an item of £5 therein to the credit of the Personal Account, or a "blind" entry on the credit side of a Personal Account of £10, such as for a bad debt not debited to Bad Debts Account.
 (d) A composition of two or more errors.

EXERCISE XXV—No. 15.

- (a) Write off an appropriate amount for the year, and treat the remainder as an asset.
 (b) Treat as a reserve in the Balance Sheet on the liabilities side.
 (c) If thought fit, note on the Balance Sheet as a contingent liability, but the amount should not be incorporated as an actual liability in the effective figures for agreeing the Balance Sheet.
 (d) Deduct the reserves from debtors and creditors respectively in the Balance Sheet, debiting and crediting the Profit and Loss Account along with the actual discounts, subject, of course, to taking into account any reserves existing at the beginning of the year.
 (e) A profit on sale of old business premises may be treated as a reserve in the Balance Sheet, or taken as a profit in the Profit and Loss Account, as it is possible the premises have been over-depreciated in the past, and crediting Profit and Loss Account would be correcting such excessive depreciation.
 The former method, however, is probably to be preferred.
 (f) The same method of placing to reserve as in (e) might be adopted.
 (g) Place the profit to reserve, and include in the Balance Sheet on the liabilities side.

EXERCISE XXV—No. 14.

Dr. A-D SALES LEDGER ADJUSTMENT ACCOUNT

Cr.

| | | 19.. | | 19.. | |
|--|---|---------|----|---------|---|
| | | Feb. 28 | | Feb. 28 | |
| | | Mar. 31 | | Mar. 31 | |
| | To Debtors' Balances, brought down | 4 | 4 | | 4 |
| | " Sales | 2,459 | 1 | | 7 |
| | " Mrs. Cunningham— <i>Me</i> Miss D. Peters, transfer | 3,589 | 10 | | 3 |
| | | 9 | 5 | | 2 |
| | | 46,057 | 16 | | |
| | | 7 | 7 | | |
| | By Creditors' Balances brought down | 4 | 4 | | 4 |
| | " Returns | 47 | 5 | | 3 |
| | " Cash | 108 | 7 | | 3 |
| | " Discounts | 2,891 | 3 | | 2 |
| | " Bills Receivable | 93 | 5 | | 8 |
| | " Bad Debts, written off | 250 | — | | — |
| | " Transfer to Bought Ledger—M. Brown | 15 | 8 | | 6 |
| | " Balance, carried down | 21 | 15 | | — |
| | | 2,630 | 12 | | — |
| | | 46,057 | 16 | | 7 |

EXERCISE XXV—No. 12 (*contd.*).

D.

JONES & WARE

C.

| 19. June 16 July 18 | To Consignment Account— Sales " Difference on Exchange | Rupees 34,000 | £ 2,286 15 | s. d. 13 4 12 6 | 19. May 31 June 18 July 31 | By Landing Charges " Storage and Insurance " Commission " Draft " Balance | Rupees 315 80 850 30,000 2,755 | £ 21 5 13 2,015 183 | s. d. 12 8 6 8 13 4 12 6 13 4 |
|---------------------------|--|-----------------------------------|------------------------------|---------------------------|-------------------------------------|---|---|------------------------------------|--|
| | | | | | | | | | |
| 19. Aug. 1 15 | To Balance " Consignment Account— Sales | 34,000 2,755 7,200 9,955 | £2,282 183 480 £663 | 5 10 13 4 — 13 4 | 19. Aug. 1 15 | By Storage and Insurance " Commission " Draft | 54 180 9,721 9,955 | 3 12 12 1 648 £663 | — — 1 4 13 4 |

D.

INSURANCE COMPANY

C.

| 19. May 31 | To Claim for Goods lost in transit | £ 44 | s. d. — | | | | |
|---------------|------------------------------------|---------|------------|--|--|--|--|
|---------------|------------------------------------|---------|------------|--|--|--|--|

EXERCISE XXV—No. 13.

See *Advanced Accounts*, Chap. XVIII.

EXERCISE XXV—No. 12.

Dr.

CONSIGNMENT ACCOUNT

Cr.

| | | Cases | 19.. | | Cases | 19.. | | Cases |
|---------|--|-------|--------|-------|---------|--|-------|------------|
| | | | £ | s. d. | | £ | s. d. | |
| Apr. 15 | To Goods Insurance | 100 | 2,126 | 5 - | May 31 | By Insurance Claim— Goods lost in transit | 2 | 44 - |
| | " Freight etc. | | 35 | 10 - | June 16 | " Sales— 34,000 Rupees at 1s. 4d. | 80 | 2,266 13 4 |
| May 31 | " Landing Charges— 315 Rupees at 1s. 4d. | | 86 | 15 - | July 31 | " Stock | 18 | 410 19 11 |
| | " Storage and Insurance— 80 Cases for one month = 80 Rupees at 1s. 4d. | | 21 | - | | | | |
| June 16 | " Commission— 2½% on 34,000 Rupees = 850 Rupees at 1s. 4d. | | 5 | 6 8 | | | | |
| July 31 | " Reserve— Storage and Insurance— 18 Cases for two months = 36 Rupees at 1s. 4d. | | 56 | 13 4 | | | | |
| | " Net Profit to Profit and Loss Account | | 2 | 8 - | | | | |
| | | | 387 | 15 3 | | | | |
| | | | £2,721 | 13 3 | | | | |
| 19.. | To Stock | 18 | 410 | 19 11 | Aug. 1 | By Reserve | 2 | 8 - |
| Aug. 1 | " Storage and Insurance— 18 Cases for three months = 54 Rupees at 1s. 4d.* | | 3 | 12 - | 15 | " Sales— 7,200 Rupees at 1s. 4d. | 18 | 480 - |
| 15 | " Commission— 2½% on 7,200 Rupees = 180 Rupees at 1s. 4d. | | 12 | - | | | | |
| | " Net Profit to Profit and Loss Account | | 55 | 16 1 | | | | |
| | | | £482 | 8 - | | | | |
| | | | £482 | 8 - | | | | |

* Net charge 18 at 1s. 4d. = £1 4s., i.e., £3 12s. - £2 8s.

EXERCISE XXV—No. 9.

Dr.

2000 Shares of £1 each in Desks, Ltd.

Cr

Dividends Payable on.....

| | Nominal | | Dividends | | Principal | | | Nominal | | Dividends | | Principal | |
|--|---------|-------|-----------|-------|-----------|-------|---|---------|-------|-----------|-------|-----------|-------|
| | £ | s. d. | £ | s. d. | £ | s. d. | | £ | s. d. | £ | s. d. | £ | s. d. |
| 1934 Nov. 30 | 2,000 | — | 69 | 7 6 | 2,300 | — | 1935 Feb. 1 | 1,000 | — | 19 | 7 6 | 135 | 12 6 |
| 1935 Nov. 30 | | — | | | | — | Mar. 31 | | — | | | | — |
| To Estate Account— 2000 shares at 23s. " Transfer to Income Ac- count | | | | | | | By Cash— Final dividend of £ 10 per cent Less Tax at 4s. 6d. | | | | | | |
| | | | | | | | 25s. | 1,000 | — | 50 | — | 662 | 4 6 |
| | | | | | | | " Cash: 1000 shares sold at 5 per cent, free of tax on 1000 shares | | | | | 251 | 17 6 |
| | | | | | | | " Cash: 500 shares sold at 26s. 6d. | 500 | — | | | | |
| | | | | | | | " Balance, carried down | 500 | — | | | | |
| | | | | | | | | £2,000 | — | £69 | 7 6 | £2,300 | — |
| Dec. 31 | | | | | | | | | | | | | |
| To Balance, brought down | £2,000 | — | £69 | 7 6 | £2,300 | — | | | | | | | |
| | 500 | — | | | 251 | 17 6 | | | | | | | |

Note.—The £500 shares unsold might be brought in at $\frac{1}{2}$ of (£2,300 — £135 12s. 6d.) and the capital profit resulting carried to Estate Account. If this is done annually, however, the Estate Account is lumbered with "paper" profits or losses, and it is considered the best course to take into account capital profits or losses only when the whole holding of an investment has been realized.

EXERCISE XXV—No. 8 (*contd.*).

| | Share in Above £25,750 | Share in Capital in which Widow has a Life Interest | Total | Advances Brought Into Hotchpot | Balances |
|------------------------------------|------------------------------|--|------------|---|-------------|
| Share of Surviving Son | | | | | |
| Shares of Surviving Daughters— | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. |
| A | 6,437 10 — | 3,437 10 — | 9,875 — — | 4,500 — — | 5,375 — — |
| B | 6,437 10 — | 3,437 10 — | 9,875 — — | — — — | 9,875 — — |
| Shares of Surviving Grandchildren— | | | | | |
| C | 2,145 16 8 | 1,145 16 8 | 3,291 13 4 | 2,500 — — | 791 13 4 |
| D | 2,145 16 8 | 1,145 16 8 | 3,291 13 4 | 2,500 — — | 791 13 4 |
| E | 2,145 16 8 | 1,145 16 8 | 3,291 13 4 | 2,500 — — | 791 13 4 |
| | | | | | £27,500 — — |

EXERCISE XXV—No. 8.

[illegible]

STATEMENT SHOWING EVENTUAL DIVISION OF THE ESTATE

[illegible]

D^*

ESTATE ACCOUNT—*re* A. DECEASED

Cr.

[illegible]

4 per cent Duty on £5,472 18s. 6d. = £218 18s. 4d.

THE PERNET MANUFACTURING CO., LTD.

MANUFACTURING ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1940

[illegible]

EXERCISE XXVI—No. 35 (cont'd.).

THE PERNET MANUFACTURING CO., LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1940

Cr.

| Dr. | £ | s. | d. | £ | s. | d. | £ | s. | d. |
|---|-------|----|----|---------|----|----|---------|----|----|
| To Manufacturing A/c—Gross Loss. | | | | 13,307 | — | — | | | |
| " Machinery Repairs . . . | | | | 1,267 | — | — | | | |
| " Office Salaries . . . | 3,842 | — | — | | | | | | |
| <i>Add</i> Amount due . . . | 226 | — | — | | | | | | |
| " Carriage Outwards . . . | | | | 4,068 | — | — | | | |
| " General Expenses ($\frac{1}{3}$ of £4,785) . . . | | | | 4,846 | — | — | | | |
| " Management Salaries . . . | | | | 1,595 | — | — | | | |
| ($\frac{1}{3}$ of £3,522) | | | | 1,174 | — | — | | | |
| " Travellers' Salaries and Com- mission. | 6,894 | — | — | | | | | | |
| <i>Add</i> Reserve (21% of £13,960) | 349 | — | — | | | | | | |
| " Discounts. | | | | 7,243 | — | — | | | |
| " Bad Debts | | | | 174 | — | — | | | |
| " Directors' Fees | 750 | — | — | 123 | — | — | | | |
| <i>Add</i> Amount due | 750 | — | — | 1,500 | — | — | | | |
| " Debenture Interest provided for $\frac{1}{2}$ year | | | | 500 | — | — | | | |
| " Reserve for Fine on Uncom- pleted Contract | | | | 500 | — | — | | | |
| " Depreciation— Machinery and Plant | 2,940 | — | — | | | | | | |
| Office Furniture | 84 | — | — | | | | | | |
| Loose Tools | 454 | — | — | 3,478 | — | — | | | |
| | | | | £39,775 | — | — | | | |
| | | | | | | | £39,775 | — | — |

EXERCISE XXVI—No. 35 (*contd.*).

THE PERNET MANUFACTURING CO., LTD.
BALANCE SHEET AS AT 31ST DECEMBER, 1940

[illegible]

TEST I—No. 1.

When a bank overdraft has been collaterally secured by the issue of Debentures, the Debentures so issued should be entered "short" on the Liabilities side of the Balance Sheet, as below—

BALANCE SHEET
(CAPITAL AND LIABILITIES SIDE ONLY)

| | £ | s. | d. | £ | s. | d. |
|--|--------|----|----|--------|----|----|
| <i>Authorized Debentures—</i> | | | | | | |
| 800 Bonds of £50 each | 40,000 | — | — | | | |
| <i>Issued Debentures—</i> | | | | | | |
| 600 Bonds of £50 each | | | | 30,000 | — | — |
| Bank Overdraft | | | | 4,000 | — | — |
| (Collaterally secured by Issue of £5,000 Debentures) | | | | | | |

TEST I—No. 2.

According to Article 13 of Table A, a company is empowered to charge Interest on Calls in Arrears at the rate of 5 per cent, and not at 10 per cent as charged by the company. It would seem reasonable to assume that Interest on Calls in Advance should be provided for, against defaulting shareholders being charged interest. (See also *Advanced Accounts*, pages 620 and 621.)

TEST I—No. 3.

The documents, or other information required before passing the Share Certificates as correct, are as detailed below—

(1) Old Share Certificates covering the distinctive numbers included in the new certificates to be surrendered.

(2) The Share Transfer—transferring the shares to the person in whose favour the new certificate is prepared—duly signed by the transferor and transferee, should be inspected.

(3) Satisfactory evidence of the following facts must be forthcoming—

- (a) That the transfer fee has been paid.
- (b) That the transfer has been properly stamped.
- (c) The new share certificate to be closely examined as to its accuracy in the details inserted.
- (d) The transfer lodged when the transferor acquired the shares.
- (e) Agreement of particulars relating to the shares as entered in the Share Register with particulars of shares given in the transfer.

TEST I—No. 4.

See example of form of Bin Card on page 818 of *Advanced Accounts*.

BALANCE SHEET AS AT 31ST DECEMBER, 1939

958

TEST II—No. 1.

JOURNAL OF McARTHURS, LTD.

| 19.. | | | £ | s. | d. | £ | s. | d. |
|--------|----------------------------------|-----|----------|----|----|----------|----|----|
| Feb. 1 | Appropriation A/c | Dr. | 5,000 | - | - | | | |
| | To Reserve A/c | | | | | 5,000 | - | - |
| | Preference Share Dividend A/c | Dr. | 1,750 | - | - | | | |
| | To Preference Shareholders | | | | | 1,750 | - | - |
| | Preference Shareholders | Dr. | 1,750 | - | - | | | |
| | To Income Tax (tax at say, 4s.) | | | | | 350 | - | - |
| | „ Bank | | | | | 1,400 | - | - |
| | Appropriation A/c | Dr. | 1,750 | - | - | | | |
| | To Preference Share Dividend A/c | | | | | 1,750 | - | - |
| | Ordinary Share Dividend A/c | Dr. | 10,000 | - | - | | | |
| | To Ordinary Shareholders | | | | | 10,000 | - | - |
| | Ordinary Shareholders | Dr. | 10,000 | - | - | | | |
| | To Income Tax (tax at, say, 4s.) | | | | | 2,000 | - | - |
| | „ Bank | | | | | 8,000 | - | - |
| | Appropriation A/c | Dr. | 10,000 | - | - | | | |
| | To Ordinary Share Dividend A/c | | | | | 10,000 | - | - |
| | | | £ 40,250 | - | - | £ 40,250 | - | - |

Dr.

APPROPRIATION ACCOUNT

Cr.

| 19.. | | £ | s. | d. | 19.. | | £ | s. | d. |
|--------|-----------------------|----------|----|----|---------|-------------------|----------|----|----|
| Feb. 1 | To Reserve | 5,000 | - | - | Feb. 1 | By Balance | 3,745 | - | - |
| | „ Preference Dividend | 1,750 | - | - | Dec. 31 | „ Profit for year | 19,748 | - | - |
| | „ Ordinary Dividend | 10,000 | - | - | | | | | |
| | „ Balance c/d | 6,743 | - | - | | | | | |
| | | £ 23,493 | - | - | | | £ 23,493 | - | - |
| | | | | | Feb. 1 | By Balance b/d | 6,743 | - | - |

Dr.

BANK ACCOUNT

Cr.

| 19.. | | £ | s. | d. |
|--------|-----------------------|-------|----|----|
| Feb. 1 | By Pref. Shareholders | 1,400 | - | - |
| „ 1 | „ Ord. Shareholders | 8,000 | - | - |

TEST II—No. 1 (*contd.*)

| Dr | | INCOME TAX ACCOUNT | | | | Cr. | |
|----|--|--------------------|--|--------|-----------------------|-------|-------|
| | | | | 19.. | | £ | s. d. |
| | | | | Feb. 1 | By Pret. Shareholders | 350 | - - |
| | | | | " 1 | " Ordry. Shareholders | 2,000 | - - |

TEST II—No. 2.

The necessary entries for the issue of shares at a premium (applicable to any class of share) are set out on pages 603 and 604 of *Advanced Accounts*.

TEST II—No. 3

It may be assumed that as the directors of the company are empowered according to the Articles of Association of the company, to allow interest on Calls in Advance there would be an obligation to make provision for such interest when preparing the accounts for the financial year. The necessary entries to bring interest on Calls in Advance into account are as under—

JOURNAL

Interest Payable A/c Dr.
To Shareholders

(See also *Advanced Accounts*, pages 620 and 621.)

TEST II—No. 4.

This item of overhead relates to the attempt to ascertain the expense of running each machine in order to be able to charge the work done on the machines with the actual expense due to work being performed. When the actual cost has been ascertained for the total estimated running hours, the overhead is usually applied as a percentage of such cost and charged against a job in the ratio the "total" time run by the machine bears to the actual time run on the specific job.

TEST II—No. 5.

BLANKS, LTD.

Dr.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE, 1938

Cr.

| | £ | s. | d. | | £ | s. | d. |
|---------------------------------------|---------|----|----|----------------------------------|---------|----|----|
| To Discounts | | | | By Trading Account, Gross Profit | | | |
| " Salaries and Commission | 7,291 | — | — | | | | |
| " Directors' Fees | 1,500 | — | — | | | | |
| " Office and Trade Expenses | 2,368 | — | — | | | | |
| " Paid Debts | 122 | — | — | | | | |
| " Depreciation of Plant and Machinery | 5,700 | — | — | | | | |
| " Leasehold Redemption Fund | 1,200 | — | — | | | | |
| " Balance, Net Profit | 28,181 | — | — | | | | |
| | £47,537 | — | — | | £47,537 | — | — |

BLANKS, LTD.

BALANCE SHEET AS AT 30TH JUNE, 1938

| | £ | s. | d. | | £ | s. | d. |
|---|----------|----|----|---|---------|----|----|
| CAPITAL AND LIABILITIES. | | | | PROPERTY AND ASSETS. | | | |
| <i>Nominal Capital—</i> | | | | Leasehold Premises | 38,000 | — | — |
| 50,000 5% A Preference Shares of £1 each | 50,000 | — | — | Plant and Machinery | 5,700 | — | — |
| 200,000 7% B Preference Shares of £1 each | 200,000 | — | — | Less Depreciation | | | |
| 200,000 Ordinary Shares of £1 each | 200,000 | — | — | | | | |
| | £450,000 | — | — | <i>Policy Account for Leasehold Redemption (see Contra Account)</i> | | | |
| <i>Issued Capital—</i> | | | | Goodwill | 14,805 | — | — |
| 50,000 5% A Preference Shares of £1 each, fully paid | 50,000 | — | — | Stock-in-Trade | 75,000 | — | — |
| 100,000 7% B Preference Shares of £1 each, fully paid | 100,000 | — | — | Sundry Debtors | 103,523 | — | — |
| 150,000 Ordinary Shares of £1 each, fully paid | 150,000 | — | — | Less Bad Debts Reserve | 84,560 | — | — |
| | | | | Cash at Bank and in hand | 500 | — | — |
| Sundry Creditors | | | | | | | |
| Income Tax Reserve | 300,000 | — | — | | | | |
| Leasehold Redemption Fund, 1st July, 1938 | 23,552 | — | — | | | | |
| Add Transfer from Profit and Loss | 4,948 | — | — | | | | |
| Add Interest at 3% | | | | | | | |
| | | | | | | | |
| <i>Profit and Loss Account—</i> | | | | | | | |
| Balance Available | 14,805 | — | — | | | | |
| | 33,774 | — | — | | | | |
| | £377,079 | — | — | | | | |

STATEMENT OF PROFIT AND LOSS OF A AND B FOR THE YEAR ENDED 31ST DECEMBER, 1938

962

TEST III—No. 2

Dr.

TOTAL DEBTORS' ACCOUNT

Cr.

| 1937 Dec. 31 1938 Dec. 31 | To Debtors in France at this date " Sales during the year . " Profit on Exchange . | Fcs. 172,320-00 988,310-00 | £ 990 5,713 36 | s. d. — — — | 1938 Dec. 31 | By Amount received during the year " Debtors at this date at 17s exchange . | Fcs. 1,075,280-00 84,350-00 | £ 6,257 482 | s. d. — — — |
|------------------------------------|--|----------------------------------|-------------------------|----------------------|-----------------|--|-----------------------------------|-------------------|----------------------|
| | | | | | | | | | |
| 1939 Jan. 1 | To Debtors in France at this date . | 1,160,630-00 | £6,739 | — | | | 1,160,630-00 | £6,739 | — |
| | | 84,350-00 | 482 | — | | | | | |

... The first debit represents the total of the Debtors' list in Fcs. and sterling at 31st December, 1937. The second debit is the total sales for the year in Fcs. and sterling. The third debit is the difference between the sterling values of the commencing debtors and sales, and the amount realized for them plus the sterling value of the closing debtors at the rate of exchange prevailing at the balancing date. The first credit is the actual amount remitted in Fcs. and the sterling amount realized for them. The second credit is the total of the Debtors' list in Fcs. and sterling at 31st December, 1938.

SINKING FUND ACCOUNT

| SINKING FUND ACCOUNT | | Cr. | |
|----------------------|-----------------|----------------------------|-------------|
| Dr. | | | |
| | 1936 Dec. 31 | By Profit and loss Account | £ 1,600 |
| | 1937 Dec. 31 | Interest | 56 |
| | | Profit and Loss Account | 1,600 |
| | 1938 Dec. 31 | Interest | 3,256 |
| | | Profit and Loss Account | 113 19 2 |
| | | | 1,600 |
| | | | £4,969 19 2 |

INVESTMENT ACCOUNT

| <i>Dr.</i> | | INVESTMENT ACCOUNT | | | <i>Cr.</i> |
|------------|-----------|--------------------|-----------|-----------|------------|
| | | <i>£</i> | <i>s.</i> | <i>d.</i> | |
| 1936 | | | | | |
| Dec. 31 | • • • • • | 1,500 | — | — | |
| 1937 | | | | | |
| Dec. 31 | • • • • • | 1,656 | — | — | |
| 1938 | | | | | |
| Dec. 31 | • • • • • | 1,713 | 19 | 2 | |
| | | <u>£4,969</u> | <u>19</u> | <u>2</u> | |

BALANCE SHEET AS AT 31ST DECEMBER, 1938

| | LIABILITIES | | ASSETS | |
|--------------------------------|--------------------|----|---------------|------------|
| | s. | d. | f. | s. d. |
| Debentures | . | . | . 20,000 - | . |
| Sinking Fund Account | . | . | . 4,969 19 2 | . |
| | | | | f. s. d. |
| | | | | 4,969 19 2 |

When repayment of the debentures takes place, the investment will be realized, bank being debited and the investment credited. Any balance that may remain on the latter account will be transferred to the Sinking Fund Account. The Debenture Discount Account will be transferred to the Sinking Fund Account, the balance of which will be transferred to a Reserve Account. The Debentures will be discharged, the Debentures Account being debited and bank credited.

TEST III—No. 4

| Dr. | | MACHINERY ACCOUNT | | | | Cr. | | |
|--------------------------|-------|-------------------|----|----|-------------------------|--------|----|----|
| To Bank— | | £ | s. | d. | By Sale of Scrap | £ | s. | d. |
| Cost of Machine | 2,000 | - | - | | „ Amount written off to | 75 | - | - |
| Cost of Erection | 100 | - | - | | Depreciation Fund | 1,975 | - | - |
| Cost of New Machine | 2,300 | - | - | | „ Balance, carried down | 2,350 | - | - |
| | | £4,400 | - | - | | £4,400 | - | - |
| To Balance, brought down | 2,350 | - | - | | | | | |

| Dr. | | DEPRECIATION FUND | | | | Cr. | | |
|--------------------------|-------|-------------------|----|----|----------------------|--------|----|----|
| To Cost of Scrapping | | £ | s. | d. | By Amount of Fund as | £ | s. | d. |
| Machine | 20 | - | - | | stated | 1,650 | - | - |
| „ Loss on Realization of | | | | | „ Profit and Loss | | | |
| Investment | 90 | - | - | | Account | 435 | - | - |
| „ Amount written off | | | | | | | | |
| Machinery | 1,975 | - | - | | | | | |
| | | £2,085 | - | - | | £2,085 | - | - |

| Dr. | | INVESTMENT ACCOUNT | | | | Cr. | | |
|------------|-------|--------------------|----|----|-----------------------|--------|----|----|
| To Balance | | £ | s. | d. | By Bank | £ | s. | d. |
| | 1,650 | - | - | | „ Loss on Realization | 1,590 | - | - |
| | | | | | | 90 | - | - |
| | | £1,650 | - | - | | £1,650 | - | - |

| Dr. | | BANK ACCOUNT | | | | Cr. | | |
|------------------|-------|--------------|----|----|-----------------------|-------|----|----|
| To Sale of Scrap | | £ | s. | d. | By Machine | £ | s. | d. |
| „ Investments | | 75 | - | - | „ Cost of Erection | 2,000 | - | - |
| | 1,560 | - | - | | „ Cost of Scrapping | 100 | - | - |
| | | | | | Machine | 20 | - | - |
| | | | | | „ Cost of New Machine | 2,300 | - | - |

TEST III—No. 5.

(a) Liabilities of customers for acceptances, endorsements, and other engagements denote bills which the bank has accepted or endorsed on behalf of its customers. This is usually done in the case of foreign bills, as it greatly facilitates their negotiation abroad. The customer is, of course, liable to the bank, while the bank is liable to the parties abroad. These items, therefore, appear on both sides of the balance sheet.

(b) Money at call or short notice denotes loans to bill brokers, stock brokers, and others on securities called "Floaters" (i.e. exchequer bonds, consol certificates, and other first-class securities). Advances are also made on Dock Warrants, Consignments, Produce Documents, etc.

(c) Current Deposit and other Accounts, including provision for Contingencies, denotes the liability of the bank to its customers, repayable on demand or after a short period of notice. Provision may also be included in the item for staff pension fund, secret reserves, and any balances which it is not thought needful to describe with more particular detail.

TEST III—No. 6.

(a) An appropriation of profit is the allocation of profit earned to some particular purpose, such as the payment of a dividend, the setting aside to reserve of some specified sum or an arbitrary amount written off goodwill.

(b) A charge against profit is an item of expense that has been incurred in earning profit.

(i) Directors' fees are a charge against profits as the fees represent remuneration paid to directors for services rendered in conducting the business of the company.

(ii) Debenture interest may be regarded as either a charge against profits or an appropriation of profit. It may be said that the interest is an essential cost of working the business, and from that point of view is a charge against profits. On the other hand, it can be argued that if the company had issued shares to an extent to provide the funds necessary to run the business, borrowing would not have had to be resorted to and debenture interest would not have arisen, and that, consequently, the interest is remuneration to money invested in the business on debentures, just as a dividend is remuneration to money invested in the business in shares. It is also thought that the Profit and Loss Account should show profit arising from pure trading, and not have charged against it in arriving at trading profits an item like debenture interest, which would not have arisen if the company had issued sufficient share capital and avoided borrowing.

(iii) Bad Debts Reserve is a charge against profits because it represents a provision for probable losses arising in trading.

(iv) A General Reserve is an appropriation of profit because it is merely the setting aside of profit earned, and is not a cost of earning profit.

(v) Dividends paid is an appropriation of profit, being merely a distribution of profit and not a cost of earning it.

TEST III—No. 7.

Dr.

3½ PER CENT WAR STOCK. INTEREST PAYABLE 1ST JUNE AND 1ST DECEMBER

Cr.

| | | Nominal | | Interest | | Capital | | Nominal | | Interest | | Capital | |
|-----------------|---|---------|-------|----------|-------|------------|-------|---------|-------|----------|-------|------------|-------|
| | | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. |
| 1937 Mar. 31 | To Bank: £4,000 Stock at 106 | 4,000 | — | 46 13 4 | — | 4,208 6 8 | — | 1,000 | — | 14 11 8 | — | 1,035 8 4 | — |
| | „ Brokerage | | — | 55 8 4 | — | | — | | — | 52 10 — | — | | — |
| Sept. 30 | „ Transfer to Interest A/c . | | — | | — | | — | 3,000 | — | 35 — | — | 3,172 18 4 | — |
| | | £4,000 | — | £102 1 8 | — | £4,208 6 8 | — | £4,000 | — | £102 1 8 | — | £4,208 6 8 | — |
| Oct. 1 1937 | To Balance, b/d | 3,000 | — | 35 — | — | 3,172 18 4 | — | | — | | — | | — |

TEST III—No. 8.

See *Advanced Accounts*, page 612 The *pro forma* Journal entries relating to forfeiture are—

Share Capital Account.

To Forfeited Shares Account.

Cancellation of called-up capital on shares forfeited.

Forfeited Shares Account.

To Share Call Account.

Amount of unpaid calls written off.

TEST IV—No. 1.

(a) Gross Profit, £4,518.

(b) Expenses, £2,158 (excluding Depreciation, £418).

(c) Net Profit, £1,942.

(d) *Capital Accounts*—

| | A | | | B | | |
|---------------------------|---------------|----|----|---------------|----|----|
| | £ | s. | d. | £ | s. | d. |
| Balance 1st Jan., 1938 . | 8,233 | - | - | 5,996 | - | - |
| Add Share of Net Profit | 971 | - | - | 971 | - | - |
| | <hr/> | | | <hr/> | | |
| | 9,204 | - | - | 6,967 | - | - |
| Less Drawings . . . | 900 | - | - | 750 | - | - |
| | <hr/> | | | <hr/> | | |
| Balance 31st Dec., 1938 . | <u>£8,304</u> | - | - | <u>£6,217</u> | - | - |

| | PROOF | | | | | |
|----------------------------|--------------|----|----|--------------|----|--------------------|
| | £ | s. | d. | £ | s. | d. |
| Assets (as question) . . . | | | | | | 15,625 - - |
| Capital A | 8,304 | - | - | | | |
| " B | <u>6,217</u> | - | - | | | |
| | | | | 14,521 | - | - |
| Creditors | | | | <u>1,104</u> | - | - |
| | | | | | | <u>£15,625 - -</u> |

GENERAL LEDGER

SALES LEDGER ADJUSTMENT ACCOUNTS

| | (Town) | | (Country) | |
|--------------------------------------|--------|-------|-----------|-------|
| | £ | s. d. | £ | s. d. |
| To Balance | 3,175 | 9 8 | 1,942 | 1 6 |
| " Sales | 1,933 | 9 9 | 1,408 | 16 3 |
| " Balance | 19 | 2 9 | 5 | 9 3 |
| " Difference as Country Sales Ledger | 4 | 6 6 | | |
| | | | | |
| By Balance b/f | | | | |
| " Cash | | | | |
| " Discounts | | | | |
| " Returns | | | | |
| " Bad Debts | | | | |
| " Bills Receivable | | | | |
| " Balance c/f | | | | |
| " Difference as Town Sales Ledger | | | | |
| | | | | |
| | £5,131 | 19 8 | £3,356 | 7 - |

An inference that may fairly be drawn from above accounts is that the amount £4 6s. 6d. is an item of transfer for £2 3s. 3d. posted in reverse, i.e. Town Debtors being credited in error for Country Debtors.

TEST IV—No. 3.

See *Advanced Accounts*, pages 124 onwards.

TEST IV—No. 4.

See *Advanced Accounts*, pages 545 onwards.

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